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ABSTRACT

The issues of manpower planning and economic development which relate to the Rural Development Act of 1972 were analyzed at this conference. The conference contributors were chosen because of their expertise in some aspect of manpower planning, economic development, or the Rural Development Act of 1972. The conference began with an overview of manpower planning and economic development, followed by 2 sessions on the new Rural Development Act and its manpower implications. Other major topics covered were the Economic Development Administration's experience with manpower planning and economic development in rural areas, the Cooperative Area Manpower Planning System, experimental rural manpower delivery systems, and future directions for rural America. (PS)

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Manpower Planning for Jobs in Rural America

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CENTER FOR RURAL MANPOWER & PUBLIC AFFAIRS

Proceedings of a Conference

December 14-15, 1972

Sponsored by:
The Center for Rural Manpower and Public Affairs

Michigan State University
East Lansing, Michigan 48823

Program and Proceedings

Collette Moser

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Program and Proceedings Design:

Collette Moser

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FOREWORD

Integrating and coordinating existing manpower and education programs, assessing manpower needs and evaluating program alternatives; these and other aspects of manpower planning are important for the efficient operation of labor markets in rural areas.

It is difficult to answer such questions as: What is the appropriate geographic area? Who should be involved in planning? For what job should workers and potential workers be prepared? Because of the greater geographic boundary ambiguities and the relative shortage of manpower planning expertise in rural areas, manpower planning questions may be more penetrating when applied to rural than urban areas. For these reasons, manpower planning for rural areas was chosen as the topic of this conference sponsored by the Center for Rural Manpower and Public Affairs at Michigan State University.

Rural manpower planning questions are intrinsically related to economic development issues, such as: For what number and what kinds of jobs should planning take place? Can manpower planning and the preparation of a trained labor force contribute to economic development? Manpower planning and economic development are broad concepts. A conference designed around these issues could easily have led to papers which espoused general platitudes and theories lacking in concrete applications and examples. Instead, we directed our analysis to these issues as they relate to a particular piece of legislation, the Rural Development Act of 1972 (Public Law 92-419). This then provided a powerful vehicle for assessing past practices and future alternatives in manpower planning and economic development as they affect rural areas.

The conference contributors were chosen because of their expertise in some aspect of manpower planning, economic development, or the Rural Development Act of 1972. In selecting such a group, particular attention was given to integrating a variety of descriptions and agencies.

The conference was held in Austin, Texas, December 14-15, 1972, in cooperation with the Center for the Study of Human Resources at the University of Texas. Ray Marshall, director of the Center, and Susie Turner, secretary to the director, graciously donated their time and effort in making local arrangements. Conferences are held in different parts of the country in order to facilitate the participation of people from various rural regions.

The members of the Rural Manpower Policy Research Consortium who have helped with the conference preparation are:

Varden Fuller, Department of Agricultural Economics, University of California, Davis;
Dale Hathaway, Department of Agricultural Economics, Michigan State University, on leave with the Ford Foundation, New York;
Robert Hunter, Department of Sociology, University of Colorado;
Louis Levine, School of Government Studies, George Washington University;
Ray Marshall, Department of Economics, University of Texas;
Myrtle Reul, School of Social Work, University of Georgia;
Gerald Somers, Department of Economics, University of Wisconsin.

In addition to the Consortium members, several other members of the Center for Rural Manpower and Public Affairs at MSU have been involved in the conference activities. Deborah K. Johnson, CRMPA specialist, helped with conference arrangements, taping, and editing of the proceedings. Jeanette Barbour, CRMPA secretary, coordinated technical arrangements, and typed the proceedings. Addiann Hinds, CRMPA editor, assisted the production and editing of the proceedings.

This conference was made possible by a grant from the U.S. Department of Labor, through the Office of Research and Development, Manpower Administration.

In the transcription and editing of the discussions, some statements made by audience members may have been misinterpreted. It is suggested, therefore, that anyone wishing to use the information contained in the discussions contact the individual involved to verify the accuracy of the interpretation. Addresses of those attending the conference are included at the end of the proceedings.

Collette Moser
Director, Rural Manpower Policy
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Michigan State University
March 1973

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SESSION I

MANPOWER PLANNING AND ECONOMIC DEVELOPMENT

INTRODUCTORY REMARKS

Daniel W. Sturt
Rural Manpower Service, U.S. Department of Labor

This conference is sponsored by the Rural Manpower Policy Research Consortium which was organized at Michigan State University to provide the Manpower Administration with research and consultation in improving rural manpower services. The Director of this project is Dr. Collette Moser of the Center for Rural Manpower and Public Affairs at Michigan State. A very successful conference on labor market information in rural areas was held about a year ago by the Center. If you do not have a copy of the proceedings, I suggest that you request one from Dr. Moser or Dr. John McCauley, a member of our staff.

Rural manpower programming has undergone a number of changes in the last two and one-half years. Some are changes that we at the Rural Manpower Service have had a part in making; some have been essentially forced upon us. A very significant change has been the move toward decentralization and revenue sharing. We would be very naive to think that this move is not likely to accelerate. More and more decisions are going to be made in the states and in the economic planning areas, with fewer decisions being made in Washington, and also perhaps fewer being made at the regional level.

At last spring's meeting, members of the Rural Manpower Policy Research Consortium agreed that the relationship between manpower planning and rural development, including measures that might be taken to make the relationship more effective at the local level, needed to be examined more closely. About that time, the Rural Development Act was passed. The agenda for this meeting began to shape up, accenting relationships between manpower planning and rural development. The Consortium feels that this is a very important area for exploration and that you are the people who should be taking a look at this matter.

You will notice that the agenda begins with an overall view of manpower planning and economic development by Ray Marshall. Following that there will be two sessions directed to the new Rural Development Act and its manpower implications. Then we will take a look at the EDA experience with manpower planning and economic development in rural areas. Next we will discuss the manpower planning now being done in rural areas under the auspices of CAMPS. After that, we will consider

the manpower planning and economic development experience gained in some of our pilot projects, including Operation Hitchhike and Concerted Services in Training and Education.

I want to emphasize that this is a working conference. We are more likely to accomplish the goals we have set for the conference, if we are able to get you to participate very actively.

It now becomes my very special privilege to introduce to you a man who is certainly a leader in rural manpower matters, as well as an economist extraordinnaire, a real super star in this whole business of manpower planning. Ray Marshall is Director of the Center for the Study of Human Resources here at the University of Texas. He has helped with the local arrangements for this conference, and it is my pleasure to present him to you.

MANPOWER PLANNING AND ECONOMIC DEVELOPMENT: AN OVERVIEW

Ray Marshall
University of Texas

I am a little reluctant to talk about the Rural Development Act. I have done a fair amount of thinking about rural development and a lot of thinking about the Rural Development Act, but it might be premature to talk about it. We don't know whether the Act will be funded, although many members of Congress think it will be, and if funded, we don't know what the budget will be. If Congress funds the sections of the Act that require new money, we don't know if the Administration will impound those funds.

We know very little about future guidelines for the Act (which could be more important than the actual wording). We know very little about how the Act will be administered, and do not know whether the Department of Agriculture will be serious about its implementation. This Act calls upon the Department of Agriculture to do many things it is not equipped to do or has not done in the past. If the Act is funded and implemented, I hope it might cause the Department to shift its emphasis away from agriculture, a relatively small part of the contemporary rural scene, to the more important problems of the rural nonfarm sector. There are about 30 million people in the rural work force, and only 3.9 million people in the agricultural work force. Yet, for many people, "rural" means "agriculture."

We also do not know if the proposed Department of Community Development will be created. If created, and if the RDA were implemented as presently constituted, the implementation of the Act would presumably be transferred from the USDA to the Department of Community Development. That seems to be the President's present intention. This creates another area of uncertainty, as does the fact that the President signed the Rural Development Act reluctantly. The President clearly favored revenue sharing, and was opposed to categorical programs such as those contemplated by the RDA.

Because we don't know much about the RDA and what effect it will have, it may be presumptuous to discuss its economic development implications. It reminds me of a story about Al Smith. When he was giving a political speech, someone yelled from the audience, "Tell us all you know about it, Al; it won't take long." I take comfort in Al's reply.

He said, "I'll tell you what I'll do. I'll tell them all we both know about it; it won't take any longer."

Despite the uncertainties, our purpose at this conference is very important; we are trying to define the problem and conceptualize some of the possible implications. Additionally, because of some of the people participating in this conference, we might be able to influence the funding, guidelines, and implementation of the law.

One of the first things we need to do is conceptualize rural development problems. We are not likely to come up with the proper policies until we do that. The Act is a kind of omnibus bill, and contains many of the things we have already had. Without conceptualization, some things we do are likely to counteract others. We must do more than come up with general statements of things that need to be done; we must establish priorities. We do not know how to bring all the components of a rural development strategy together, particularly in promoting rural human resource development. The Rural Development Act does nothing to solve this problem.

As far as I can see, no level of government is prepared to bring together the manpower, industrial development, education, health, housing, and other kinds of programs needed to promote economic development. A few states have been relatively successful with such comprehensive, coordinated approaches, but their activities have not been fully analyzed. We are not yet able to evaluate their effectiveness or generalize their results for other states and areas.

One of the most obvious things we must do to promote rural development is create jobs. This is a serious problem because there are a lot of people who have been displaced from agriculture or who have been underemployed in agriculture or other rural industries, who are not prepared by experience, education, or training for nonfarm jobs. We need to train people to fit the types of jobs likely to come into rural areas. Rural schools need to promote development; the quantity and quality of education must be improved. Moreover, school facilities should be used to help promote other aspects of rural human resource development. Can the Act help improve rural school systems and the educational level of rural people? Does it provide for health, welfare, and income maintenance activities, or anything which will improve those activities? There are many ways the Act can be used to improve rural education. It can provide opportunities for people to get into the health, welfare, and income maintenance businesses in rural areas.

Emphasis must be placed on developing institutions concerned with human resource development, rather than institutions concerned mainly with developing livestock and breeds of plants. To date, we have not had many institutions concerned with the development of rural people; this is one of the major problems we face.

I am afraid not much will happen in the RDA or any other legislation unless there is one to police it and oversee its implementation. We already have legislation, such as the Social Security Act, which is regularly violated. In the Southwest, we can cite a long list of laws designed to protect small farmers and agricultural workers which are regularly violated. Included in these are the laws prohibiting a large influx of agricultural workers from across the Mexican border. But it is estimated that 1,800,000 illegal aliens come from Mexico into the Southwest every year. The important point is that no one represents the rural disadvantaged, the rural poor, or small farmers generally, in immigration or development policy. Participation is very difficult to accomplish, but let us hope the RDA contains elements which make participation possible.

With regard to human resource development strategy, let us look at job creation, both public and private. Public employment programs and the rural emphasis in such programs must be expanded. Much of the manpower legislation and many of the programs, as well as the Emergency Employment Act, contain inherent biases against rural areas. The allocation method used, the unemployment rate, is a very poor reflection of need in rural areas. We must increase and continue public employment programs in rural areas and, indeed, in the whole nation. We must be sure a more equitable part of whatever is allocated goes to rural areas. I do not think that programs such as the Emergency Employment Act can take over the process of creating jobs in rural areas, partly because the Emergency Employment Act is a creaming operation. We need other programs such as Operation Mainstream, Neighborhood Youth Corps, and perhaps if we could perfect it, public service careers types of public programs. Experience to date indicates the need for flexibility in order to gear particular public employment programs to the needs of particular groups.

Why do we need these programs? Many of the people in rural America are not likely to be absorbed into the private sector without creating intolerable national levels of inflation. And even if there were intolerable levels of inflation, there would still be pools of people not

likely to be absorbed by the private sector. Therefore, we need to push job creation in rural areas, and to make it a prominent part of our public policy statement. Useful things can be done, as Operation Mainstream programs have demonstrated.

It also is very important to emphasize that jobs can be created through public employment at less cost and less inflationary impact on the total economy than by any other means. This was demonstrated by a study the Federal Reserve System did with its simulation model (reported in the National Manpower Policy Task Force's recent release on public employment).

Many things could and ought to be done in rural areas to create jobs in the private sector, since, even with an adequate public program, private employment will account for most jobs. Many jobs, particularly in manufacturing, are coming into rural areas. In the South, manufacturing jobs are increasing faster in rural than in urban areas. This has surprised many people, and means, of course, that we are not dealing with an impossible problem. A lot of people have said, "don't try to develop rural areas; you can't do it." However, it is being done. Jobs are coming in.

Although the number of jobs is increasing in rural areas, these jobs are not really affecting the unemployed and underemployed. The situation is very close to the Phillips curve dilemma which states there is an unfavorable trade-off between low unemployment and price stability. On the one hand we want low unemployment; on the other, we want to check inflation. We seem unable to deal with both.

Industry has a large role in rural development. If it is low-wage, marginal industry, it creates jobs, but does not help people out of poverty. They become the working poor. High-wage industry generates a fair amount of income, but not many jobs. We must find a way to help rural people benefit from the economic development that is taking place.

How can we do that? I don't know. However, we should consider requiring industry in rural areas to hire the disadvantaged, unemployed, and underemployed people if they can do the work--particularly if the industry is subsidized. Another way to place the disadvantaged is to make greater use of community development corporations, cooperatives, and other organizations controlled by the communities themselves. This is an activity the Act might stimulate. Community development organizations have demonstrated their ability to operate mainstream-type public employment programs, and have some experience with manufacturing and

nonservice activities. We could solve a lot of basic rural development problems if we could achieve community control of enterprises. The kind of industry that tends to locate in rural areas is usually low-wage and labor-intensive. It may remain a short time and then move on to Mexico or Hong Kong. However, if the industry were community-based, it might be less likely to move and more likely to give jobs to community people. Community-based organizations might also be more likely to represent the disadvantaged and to support human resource development. The language of the Rural Development Act implies a promise to stimulate both profit-maximizing and community-based economic activities.

An objection frequently raised to community-based development activities is that they must not be profitable or profit-makers would be there already to take advantage of them. Therefore, it is argued, what we are promoting in rural areas is some kind of uneconomical, hothouse growth. I don't believe that, and don't even consider it good economics. According to economics, profit-maximizers take advantage of *the most* profitable activities. This does not mean all profitable activities will be exhausted. Opportunities in rural areas that generate jobs and more than return cost are profitable, but might not be *the most* profitable thing private enterprise could do.

The RDA also offers some hope that more jobs will be generated in agriculture. One of the dangers in rural development is that agriculture may be ignored as a source of jobs. Although agriculture has declined in importance through time, good jobs in farming should increase. Indeed, in spite of massive outmigration, more Blacks remain in southern agriculture than in any four nonagricultural industries aggregated at the four-digit SIC level.

There is a role for at least the retention of many small farmers in our agricultural system. Realistically, we probably are not going to attract a lot of people back into agriculture, but we can do some things to slow the flow of people out of agriculture. Many small farmers have not been displaced because large agribusiness has had across-the-board economies of size. If we examine the evidence carefully, we will find there are not across-the-board economies of size in agriculture. However, nonagricultural businesses have tax and land speculation advantages. U.S. agricultural policy has subsidized land and capital and, therefore, has displaced labor. Our tax policies have encouraged speculation in land. They have encouraged nonagricultural business to integrate into agriculture and then shift some of their

costs of agricultural development to the public by deducting the costs of land improvements from nonagricultural sources, and paying capital gains taxes when the land is sold. I don't know how pervasive this policy is, but I know it is happening. And it seems to have many implications for agriculture. These advantages clearly force the small farmer, who doesn't have such advantages, to compete with the integrated agribusiness firm which does have the advantages, as well as a lion's share of the benefits from agricultural policy.

The Rural Development Act contains language that encourages the belief that small farmers might benefit. For example, it encourages research on their specific problems, an area largely neglected by the land grant college system. This kind of research is now being done by some private organizations such as the National Sharecroppers Fund and the Federation of Southern Cooperatives.

The National Sharecroppers Fund and the Federation of Southern Cooperatives have demonstrated a number of profitable things small farmers might do to increase their incomes through specialty vegetable production. But they need help. They need the same kind of experimental activity and the same kind of technical assistance that medium-sized and large farmers have received from the Extension Service. But such help must be geared to their circumstances rather than to that of larger agribusinesses. More agricultural jobs could be generated, but probably not enough to solve the rural development problems; not enough to absorb people who have been displaced from the capital-intensive type of activities and increased rural population resulting from higher fertility rates. Since jobs are a very important part of the rural development problem, we need to look everywhere we can to find them. Agriculture contains some possibilities, and the RDA offers some hope that these possibilities will be expanded.

Manpower is another important area for economic development, even though this area is not mentioned in the RDA. Others at this conference will say more about this, but I am convinced you are not likely to have effective job creation nor development in rural areas without an effective manpower program. If industry builds only on the characteristics of people already in rural areas, it is not likely they will be released from poverty. We need to upgrade their skills, and to use training as a development tool. Manpower programs also can provide information, as emphasized in our last conference. The so-called "start-up training concept," that I am told is very successful in South Carolina and

Virginia, has manpower programs which are intimately related to industrial development. The basic idea behind "start-up" training is to closely relate training with specific industrial development activities, so that development, training, and various support activities are closely coordinated. When this is done, training becomes an inducement to locate firms in particular places. This procedure also brings training and jobs closer together, avoiding the problem facing many present activities where there are no jobs for those who have been trained and no trained people to fill new jobs.

In conclusion, the RDA provides a number of opportunities to stimulate rural human resource development, although rural development cannot be considered separately from other policies, especially national growth policies. The Act itself does very little to conceptualize a rural development strategy and its interfaces with other policies, but its funding and implementation might stimulate the necessary conceptualization.

DISCUSSION OF SESSION I

Luther Tweeten

I'd like to question your views on whether or not there have been across-the-board economies of farm size. On what do you base your information?

Ray Marshall

My information is based on studies by some agricultural economists for a conference held last year at the Center for the Study of Human Resources at the University of Texas. They agreed there were not across-the-board economies of size. They concluded it is very difficult, technically, to study economies of size, because it is not the same as economies of scale. Economies of scale cannot be tested as can economic economies of size, because all factors of production aren't changed at the same time. But studies of the economies of size indicate there were some economies of size and some diseconomies of size, as compared with, for instance, the small family farm. As I recall from the research, the capital requirements of an optimal one-man farm have become larger because of technological change which requires more capital for a minimum size optimal farm, even though it is still a one-man operation. But as you move across the agricultural spectrum, just looking at *agricultural* operations and not at integrated nonfarm activities (i.e., the amount of their activities they derived from nonagricultural activities and the tax advantage in the land speculation), the larger farms got some diseconomies in labor utilization and labor cost. Diseconomies in the use of labor come about because agribusinesses have to buy labor at prevailing minimum wages or reservation prices. There were difficulties in the application of labor to the agricultural process because of the requirement that labor use be synchronized with the rhythms of nature. And it was sometimes difficult for larger organizations to get labor when they needed it. There are certain economies from specialization, bulk purchases, and the like. But if you add those things up across the board, you find they tend to cancel out. I also looked at some Israeli research, which abstracts from our agricultural policy. They found no economies of size across the board.

Audience Member

A lot of family farms make their income from farming operations and nonfarm income. What kind of interaction do you see between manpower and farm development activity, in terms of small farmers and part-time farms?

Ray Marshall

Much of the work I talked about earlier really doesn't focus on the right kind of questions if you're talking about the very small farm, because small farms don't just sell agricultural products. In most of the studies we looked at, small farms had a number of crops, and also sold labor as a part of their activities. If you use a broad definition of manpower, there are a number of things that can be done for small farmers to help them earn reasonably sizeable incomes. For one thing, if there aren't jobs in the area which make it profitable for small farmers to supplement their small farm income, we could set up some public employment such as Operation Mainstream. Another thing we could do for them is establish the kinds of activities which improve their earnings from whatever small farm activity they are involved in. One of the things that the National Sharecroppers Fund is doing in their experimental operation in North Carolina, is bringing people in and teaching them the small farming operation and some nonfarm skills, such as welding, which is a fairly saleable operation. After training, these people are expected to go out and both farm and weld. There's no reason why that couldn't be done on a fairly significant scale. You could give the small farmer some other way to be involved in his activity through manpower training. Dan Sturt in RMS is doing something I would like to see expanded also. Small farmers need managerial help. They need to be trained as managers and trained to run a cooperative sale. In some cases, people who have only five, six, or seven years of education try to be managers. They are bright in terms of basic intelligence, but they have a very limited education. What the manpower system can do is train these people to be managers. That's improving their income. There are some tricky questions about whether training small managers ought to be part of the manpower program; however, my view is, if nobody else is doing it, why not? It's a way to improve the income of these people.

Audience Member

What's the relationship between rural development and urban development? Do you feel rural development is complementary to urban development?

Ray Marshall

I think there is, obviously, an intimate relationship. There has been a lot of talk about it as a national growth strategy. I haven't seen anybody conceptualize that yet, in a way that is comprehensive or seems to make a lot of sense. The question also concerns the growth center

strategy. Since we are going to talk about that later in the program, I didn't say much about it. But I do believe growth center strategy has a role to play. The problem with the concept is that when I try to translate it into action and find some success stories, I can't find any anywhere in the world. Nowhere has such a strategy been put into effect. It makes a lot of sense, I'll say that. The basic idea is to find growth centers and concentrate on generating jobs in those areas that will shift people from the labor surplus areas to labor shortage areas. They haven't told me whether they're going to concentrate on people in rural areas or whether they're going to concentrate on employers in urban areas. And I don't know what kind of results they expect from either one. My view is, what we do ought to be done in rural areas. But I'm not at all convinced from the evidence that relocation will solve problems for very many people. If you take the experience we've had on the Manpower Development Training Act and look at what happened to people who were relocated, the results after two months give you a different answer than results after a year. I think what we learned from that experience is that the relocation project affected the timing and destination of the move, and that's not unimportant. But it didn't do a whole lot to change the characteristics of the people who aren't those who typically move (that is, the older people, with lower levels of education). They tended to be much less successful in their moves. When you add up the whole experience, one of the problems of all these relocation and mobility studies is that they look only at the successful moves. They take people already over there and try to figure out if they are better off. That's not the question. The question is, are *all* the people we move better off? I think you have to be very skeptical about that as any kind of massive strategy. But my own view is that it has a role to play. It ought to be a part of our basic strategy. But I don't really look for too much to come out of that. I think it would be a whole lot better to try to generate more relocation--a lot of people would be better off if they would move. There's no question about that, especially better educated people who have limited attachment. The opportunity costs for them to move are much greater than the opportunity costs for older persons involved in farming and like activities. When you control for everything, age, education, sex, and other factors that influence earnings, you find that almost nobody gains from the move for about five years. You can show that the people who moved gained. But that's not

the question. The question is, what about a group of people with similar characteristics? And if you control for that, then you say nobody gained an awful lot. But some do. What we ought to do is create options for people. We ought to make it profitable for people to move if they want to, or stay if they want to. The difficulty in our present situation is that an awful lot of people have no options, or very limited options. In many places you no longer can be a migrant. We used to think migrants lived in terrible conditions. You can no longer be a sharecropper in many places. I guess the only thing worse than being a sharecropper or a migrant is not being able to be one if you want to, because the options have been destroyed. I think it does play an important role, to give a long answer to a short question, but first we've got to think of rural-urban as one national growth product. A lot of the urban problems are clearly made in rural areas. They're the framework of rural development. It seems to me that the key basic operating position we take is, let's look at the characteristics of the people we're talking about before we say what kinds of things could be generated. Some people will benefit from those kinds of moves, and some won't.

Audience Member

What are the possibilities for cottage-type industries on a successful basis?

Ray Marshall

Wherever you can generate income, that's good. A lot of people, though, would take a dim view of that. One of the coops that we've been working with, for example, has women making quilts. People ask how much are they making? And I'll answer, "Well, if we work hard this year, they'll gain about $200 a year." And they'll say, "You're joking! You don't really mean you want to get a program going that will cause people to gain $200 a year?" The answer is yes. If the family income is $800 a year, or a thousand (and that's hard for a lot of urban people to believe or understand), $200 a year makes a difference between keeping somebody in school or not keeping him in school. That is supplementary income; it's not the sole source of income. When we're talking about rural things, characterized by very limited alternatives, and very limited choices, a marginal type activity which can cause some marginal supplement to family income can be much more significant than looking at that particular activity in isolation. Nobody is obviously going to do very well with a lot of these kinds of things. One problem

we have is we're talking about a totally different kind of phenomenon when we look at low-income people in rural areas than if you look at low-income people in urban areas. And that different phenomenon is that the living levels, cost, and the kinds of things they buy are quite different. If we get people up to $3,000 family income in some of these rural areas, they're going to be middle class compared to where they are now. It has some dimensions.

Cora Cronemeyer

In regards to industrial development, what are you going to do about the Dry Belt? I have a graph here that shows changes in rural factory employment during the '60s. East of the Mississippi, you find almost solid black in terms of substantial increases in rural factory employment. But in Montana and the Dakotas, south through west Texas, you get gray areas which means either not much increase or some decrease. West of the mountains tourist business helps. But what are you going to do with these Plains states in the Dry Belt for industrial development?

Ray Marshall

I don't know what you're going to do about it. What you have to do is see how many people live out there. You've defined oasis territory anyway. Once you get west of Austin, you move into what can be called oasis country. There never were many people in the first place, and now there are fewer still. You might reach the conclusion that in all those places, and some places in Alaska, there just are not enough folks to do much with, in any kind of activity.

Cora Cronemeyer

As you compare this with the map of population trends, you find these same states with a solid block of red counties where the population has declined.

Ray Marshall

Well, I think it's going to decline, and ought to decline, in some of these places. That land is not going down in value, I noticed, even if the results of population decline. But there's a lot of interest in the land. That's the reason we need to look at the characteristics of people. I don't know what we're going to do about, say, the Indian reservation, in terms of improving conditions. I lean toward the idea of letting the Indians make up their own minds about it and then helping them work that out. It seems to me that is probably the direction we're going. They're going to elect to try to generate jobs on the reservation. They're not going to be too happy about getting people

off. Some Indians have successfully moved off, and others haven't. The whole nature of the thing was that the people tended to be concentrated, until you get to the West Coast, pretty much in the places that are black on your map anyway.

Cora Cronemeyer

Well, I think it stems from pioneer days when people began to move westward until they got to Independence, Missouri, and then they got in covered wagons and made a mad dash to the West Coast. They just bypassed it because it wasn't suitable for growing crops.

Ray Marshall

Well, you need water. That's how you define an oasis. There has been considerable economic development in the Piedmont. It started out developmentally. We need to be very careful to see whether the type of economic activity we generate is dead end, or whether it's developmental. I can conceive of a possibility, for example, of local areas taking developmental strategy, using a low-income marginal industry at the beginning of their activity, and then building on that as a way to improve schools or attract another industry. Industry is not interested in buying unemployed people or underemployed people. J. D. Little, an economic developer, spoke to us at our conference last year. According to him, his clients said, "What we want to know, is who is employed." If you come into a place and know there are some people who are employed and have work experience, it might be easier to attract an industry, unless the city fathers have made deals. We've had too much of that in rural areas, with county fathers, or whoever making deals. If they make a deal not to try to attract anybody else, and have only one low-wage marginal industry, you might be in trouble. I don't think marginal industry is entirely negative because I'm convinced that a lot of people are going to work in marginal industries wherever they go. It might be a whole lot better for them to work in marginal industry in a rural area, close to where they live and were born and where the cost of living might be less, than move into town and work in marginal industry, or move to a city and work in marginal industry. A marginal industry can therefore be developmental. I have serious reservations about whether or not we ought to subsidize such an industry. It seems to me that we might be better off, if we're going to subsidize an industry on the grounds of giving employment, to try to generate a community development of cooperatives, rather than subsidizing some industry.

Louis Levine

Ray, I wonder if we might turn our attention from a search for mobile strategy for rural development to specifics of the Rural Development Act? You started out saying you have a great deal of conjecture and uncertainty about the various provisions of the Act, but then you departed from that and proceeded to be quite optimistic, by and large, as to what the prospects of the legislation of these program implications were. I would like to raise this question. Taking a very hard-nosed, realistic assessment at this juncture, and perhaps for the next half dozen years ahead, if human resource manpower programs remain in bad repute, then realistically, what can you look for under the Rural Development Act other than "them who have, will git," especially since it will be in the hands of those who have no appreciation of human resource or manpower problems. My question turns to this, is it possible to be very pedestrian, very micro rather than macro in approach, and say, let's hit for No. 1 urgency, which means that in each rural area, we will try to get rural development money for somebody to have some competence, some expertise to start taking an assessment and organizing and determining what sources can be drawn on for goals, not on a rural development, but from whatever other source? They're going to be scarce enough as it is in the years ahead.

Ray Marshall

I think you're right, Lou, to some extent. We've been trying to do that, but the big problem has been, just as you say, if you're trying to do something—well, the example is the low-income, cooperative movement in the rural South, concentrated basically in the southeast, but some also in the southwest. It is very difficult to get resources from any quarter. But there have been groups there associated with that organization and with a few other organizations like the Sharecroppers Fund, now with new direction under Jim Pierce, who have been trying to pull whatever resources they can. I think it is important to try to be realistic about what you can do. So what I think we can do, and what the people who are working with groups are trying to do is get whatever we can out of that legislation, if it comes along. But they are not optimistic about it because of several reasons. One is our history, of course; "them that have, get." We sometimes build in an evaluation process which, by using benefit-cost analysis, guarantees that the people who need help least, will get the most of it. We need to figure out some other way to organize and evaluate rural development

activity. People are also pessimistic because a good bit of the implementation of the Act will first be in the hands of the USDA, which they don't trust. Whether or not they're justified, there is widespread distrust of the U.S. Department of Agriculture among low-incomes groups, and particularly among low-income Blacks in the South. They also are not optimistic because this OMB objective A-95 (I believe it is) requires review and comment (sometimes interpreted as vetoes) by the local groups. These local groups are not representative, I'm told, and therefore might see to it that these kinds of activities we're talking about never get off the ground. Yet they will see to it that the Act benefits those people who benefited from most of the rest of our legislation. And that's the reason it seems to me that a great deal depends on whether we're able to build institutions. I'm not optimistic about that, because I've worked with it enough to know that it's very hard. But I tend to be a pathological optimist when I look at the thing; I think we have to assume that we can do it. I believe in some self-fulfilling prophecy. If we cause enough people to believe there's no hope, they're not even likely to try. On the manpower thing, I think that's very important. We're going to have a session on that today. And that's still up for grabs, Lou. One of the things we failed to do, those of us in the manpower establishment, is get our message across on what we're talking about. Manpower programs are being cut, because, according to the Administration, they didn't reduce unemployment, the overall level of unemployment. Well, whoever said they would? What we were talking about is, overall improvement of unemployment—inflation trade-off by improving the operation of the labor market, not just reducing the level of unemployment. And secondly, we were concerned about the distribution of unemployment. We were trying to make disadvantaged people job-ready. That's what we concentrated on. And the thing really hasn't been tested. You can't say that the amount we put into it was anything relative to the total need. The thing that makes me optimistic about that is, I don't see the country having a successful economic policy without a significant manpower component. And they might try to do it without it. I don't think any kind of income policy is going to substitute for it, or be successful. And you'll have to keep coming back to selective labor market policies. You're not going to be able to solve the problem through monetary fiscal policy alone, without intolerable inflation. I believe that's a fairly fundamental proposition and that manpower, human resource development, might be

in some disrepute now. But what we have to do is keep the message before the public, and talk to people who don't understand.

Daniel Sturt

Ray, you've ranged far and wide, and it's all been immensely interesting.

SESSION II

THE RURAL DEVELOPMENT ACT OF 1972

THE RURAL DEVELOPMENT ACT OF 1972: WHAT IS IT?

Lynn M. Daft[1]
U.S. Department of Agriculture

Since one of the focal topics of this conference is the Rural Development Act of 1972 and the manpower implications of that Act, I have been asked to set the stage by describing the Act, its origin, and its possible future. I propose to do this in three steps: first, by placing the topic in the context of recent policymaking activities; second, by describing some highlights of the legislation itself; and, finally, by talking briefly about some implications of the legislation.

The Policymaking Setting

One's chances of understanding the purpose and prospect of any public policy usually are enhanced by knowing how it came to be policy in the first place. In this case, such understanding is particularly useful. When a new Administration came to power in 1969, it followed eight years of comparative social upheaval and experimentation in such fields as civil rights, poverty, citizen participation, women's rights, etc. The federal response during this eight-year period consisted, in large measure, of the initiation of many relatively narrow categorical grant-in-aid programs. The program apparatus required to administer these programs had grown too.

The Administration entering power in 1969 opted for a period of reflection and assessment. Evidence of an interest in population distribution and regional development began to surface. Daniel P. Moynihan, then serving as Director of the Urban Affairs Council, had long been interested in the national growth policy and pursued this issue in a variety of ways. Of the approximately 20 White House task forces established and coordinated by Arthur Burns for the purpose of gaining additional policy input, one was devoted to rural development. During this era the Commission on Population and the American Future was created, and the National Goals Research Staff within the White House was established. Both these groups devoted considerable attention to the subject of regional development.

Following this early reappraisal, the Administration began to select the major elements of its domestic policy strategy. In

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[1] *The views expressed in this paper are those of the author and should not be construed as representing Departmental policy.*

retrospect, there appear to have been at least three principal options among which the Administration could choose. One of these was to refine existing programs. Most of the pressures within governmental agencies supported this option. A second approach was the adoption of bold new federal programs. Given the perceived failures of old approaches, the temptation to follow this course was considerable. Finally, there was the option to alter government machinery. In the field of regional development, it was this latter route that carried the day.

The principal component of the Administration's regional development strategy (and that of several other topics as well) was revenue sharing. Of significant, though lesser, importance were the proposals on welfare reform, reorganization of the executive branch, health care and health insurance, and Indian affairs. Having settled on revenue sharing, the Administration took a position which shifted responsibility for public resource allocation away from the federal government to state and local governments. In the process, several major federal programs—e.g., the Appalachian Regional Commission, the Economic Development Administration, and the Title V Regional Commissions--could have been dismantled.

The Administration hoped to strengthen its position by sending a series of legislative proposals to the Congress. However, it is an understatement to report that the Administration's ideas on regional development did not closely match those of the Congress. While the Administration sought to lessen the influence of the federal government in program administration, the Congress wanted to give the federal level greater leverage in influencing patterns of regional development. In fact for several years during that period, Congress had shown considerable interest in the subject of rural development. A whole array of rural development proposals had been springing from various quarters on the Hill. By one count, there were 130 separate proposals in the first sessions of the 92nd Congress alone.

But the diverse interests on the Hill were never able to get it all together. Until 1972, that is, when a combination of circumstances brought about a significant change. First, the de-emphasis of federal programs implicit in the revenue sharing proposals, and the rearrangement of agencies called for under the reorganization proposal, were not warmly received by many members of Congress. Beyond this, the appointment of Senator Talmadge to the chairmanship of the Senate Agriculture Committee, and Senator Humphrey to the chairmanship of

the Subcommittee on Rural Development gave the subject a new element of congressional leadership it had heretofore lacked. In retrospect, it seems these forces in combination worked to galvanize the disparate congressional interests around two proposals: one by Senator Humphrey, the other by Congressman Poage. On July 27, 1972, the House approved the Conference Committee version of these bills by a vote of 339 to 36. On August 17, the Senate approved the same version by a 73 to 0 vote. On August 25, the approved bill was signed into law by President Nixon.

The Rural Development Act of 1972

Before taking the bill apart to look at its various components, we can make a few generalizations. First, the Act is a collection of many diverse authorities. I have counted 28 fairly major authorities; there are several more of lesser consequence. The Act amends three existing statutes: the Consolidated Farmers Home Administration Act of 1961; the Watershed Protection and Flood Prevention Act; and the Bankhead-Jones Farm Tenant Act.

Though the bill is "rural development" in name, it contains much that would not be classed as developmental in the conventional sense. For example, it increases the upper limit on farm operating loans and provides cost-sharing support for various conservation practices.

There is also considerable latitude for administrative discretion in implementation of the Act. Neither the purposes for which funds can be used nor eligibility criteria are tightly constrained. Neither do there appear to be any significant restrictions over the choice of administrative devices.

Of the three principal economic factors of production--land, labor, and capital--the Act focuses almost exclusively on capital and land. There is very little of a human resource nature. Most of the key authorities are of the "bricks and mortor" type.

Finally, it should be noted that the bill employs two new definitions of "rural." For most authorities in the bill, rural includes everything outside a city or town of more than 10,000 inhabitants. This would encompass about 30 percent of the 1970 population. However, for the business loans and grants sections of the Act, a rural area is defined to include everything outside cities of 50,000 or more and their immediately adjacent urbanized and urbanizing areas (i.e., those with a population density of more than 100 persons per square

mile). Though we do not now have the data required to delineate the latter areas, it will probably encompass about 40 percent of the 1970 population. Furthermore, the Act directs the administering bodies to give special consideration to places of less than 25,000.

While the Act is divided into six titles, for purposes of explaining its content and purpose it makes more sense to divide it into its functional components. Thus, I will not attempt a title-by-title account.

Business development. The authority for rural industrialization loans is perhaps the most important in the bill. It permits insured or guaranteed loans. No upper limit is set. Those eligible for the loans include "public, private, or cooperative organizations organized for profit or nonprofit, Indian tribes, and individuals." The purposes for which the loans must be used include "improving, developing, or financing business, industry, and employment and improving the economics and environmental climate in rural communities, including pollution abatement and control."

In addition to the industrialization loans, the Act authorizes insured or guaranteed small business loans. These loans are limited to individuals and have ceilings of $100,000 for ownership and $50,000 for operating purposes. In effect, this authorization broadens the Department's present authority for farm ownership and operating loans to include nonfarm enterprises. The legislation further provides that these loans may be used by farm operators for complying with provisions of the recent Occupational Safety and Health Act.

The Act strongly encourages the use of private credit institutions in the making and servicing of loans. It requires that a loan applicant first seek a private credit source who will assume 10 percent of the risk, and the Secretary of Agriculture is authorized to guarantee the remaining 90 percent. The interest rate is to be negotiated between borrower and lender. If the applicant cannot find a private source of capital, the Department is authorized to make the loan and sell the security instrument on an insured basis. Only as a last resort is the Secretary authorized to make a direct loan.

Other provisions of the Act authorize the Department to participate in joint financing arrangements with the Economic Development Administration, the Small Business Administration, the Department of Housing and Urban Development, and other federal and state agencies and private financial institutions. Provisions to guard against the

piracy of a firm from one area to another and to guard against increasing production in an area when existing productive capacity is not being efficiently utilized are also included.

Community development. The key provision here expands the existing authority for water and waste disposal systems to include all "essential community facilities including necessary related equipment." The loans are to be insured or guaranteed, and carry a 5 percent interest rate. In addition to loans, the Act provides for up to $50 million of grant funds annually to be used for facilitating development of private business enterprise, including construction of land, buildings, plants, equipment, roads, water supply, and waste disposal facilities. These funds would go to public bodies in towns of 10,000 population or less.

The Act contains several other authorities related to community development. One of these increases the water and sewer grant authorization from $100 million to $300 million. Another provides for technical assistance and cost sharing for the storage of community water supplies in reservoirs constructed under the small watershed program. Yet another provides grants of up to $7 million annually for the next three fiscal years for the purpose of organizing, training, and equipping local fire protection forces. The latter funds would be administered through state governments.

Housing. The Department's past housing loans authority required evidence that the applicant was unable to obtain credit through private sources. This Act eliminates that requirement. In effect, it provides the Department a counterpart to the HUD mortgage insurance program.

Research and extension. Title V of the Act authorizes three program thrusts: 1) rural development extension; 2) rural development research; and 3) small farm extension, research, and development. This authority differs from earlier agricultural research authorities in at least three important respects. First, it is limited to a three-year pilot basis. Congress will evaluate its performance at the end of the three-year period before determining whether to continue support. Second, while the funds will be administered by the land grant universities in each state, the bill provides that all private and publicly supported colleges and universities within the states are eligible and will be encouraged to participate. Finally, the role of the colleges of agriculture and the state experiment stations are uncertain.

While the dean of the college of agriculture in each state is directed to chair an advisory council that must approve annual program plans, university administrations will determine who will administer the program. The intent of the legislation is that resources be employed campus-wide and that these funds are not allowed to become the captive of any one administrative or disciplinary unit.

The combined funding of these three programs starts at $10 million the first year, increasing to $15 million the second year and $20 million the third year. A small share of the funds (4 percent) will be retained for federal administration. Joint efforts by two or more states would receive 10 percent of the funds, and 20 percent would be divided equally among the 50 states and Puerto Rico. The remaining two-thirds would be distributed to states on a formula basis (one-half on the basis of rural population, the other half on the basis of farm population). Not counting funds from joint efforts, individual state grants for the initial year would range from about $50,000 to $350,000.

Natural resources. The legislation authorizes pollution abatement grants of up to $75 million annually. These grants can be used to cover up to 50 percent of project cost. Of the total, $50 million can be used by industrial applicants; the remaining $25 million is for small business enterprises, including farms.

In addition to the pollution abatement grants, the legislation provides for a program of long-term cost-sharing contracts with land owners for conservation and environmental protection. It also provides for a land inventory and monitoring program to include studies and surveys of erosion and sediment damages, land use changes and trends, and degradation of the environment resulting from improper use of soil, water, and related resources. In carrying out this function, the Department is required to submit to Congress a national land inventory report every five years.

Program planning and administration. Title VI of the Act directs the Secretary of Agriculture to establish employment, income, population, housing, and quality community service and facility goals for rural development. Furthermore, he is to report annually to the Congress on progress made in the attainment of these goals. With regard to the management of federal resources within the executive branch, the Secretary of Agriculture is responsible for coordinating all federal resources toward the accomplishment of the rural development goals. Provision is made for an additional Assistant Secretary of Agriculture.

This title also directs all executive departments and agencies to give first priority to the location of new offices and other facilities in rural areas. And it requires that the President report annually to the Congress on the location of all new facilities, including a justification of site selections.

Finally, the Act provides for a comprehensive planning grant program of up to $10 million annually. These grants would go to public bodies or "such other agencies" the Secretary may select.

Some Implications

I should emphasize that the executive branch has not yet requested and the Congress has not yet authorized appropriations for implementation of the Act. Though some features do not require additional funding, most of the more significant authorizations will. Given the strong support the bill has received in Congress to date, we can assume Congress will support it with the required funding. However, its place in the hierarchy of Administration priorities is less certain, though this should become clearer in the near future.

Another element of uncertainty concerns the choice of administrative mechanisms. As noted, the Secretary of Agriculture is granted wide discretion in deciding which units will administer the authorities, what administrative criteria will be followed, and toward what ends. Until some of these questions are more fully answered, it is hazardous to anticipate a detailed outcome. Nonetheless, we can still identify some of the broader implications of the Act.

Before considering what this legislation *might* do, it is perhaps instructive to mention some of the things it does *not* do. It does not, for example, provide the executive branch any significant new authorities it does not already have. The federal government already has authorities to grant small business loans, industrial loans, community facility loans, comprehensive planning grants, pollution abatement grants, and developmental research and extension monies. The tools are not new.

Secondly, while the legislation gives the Department of Agriculture lead responsibility for coordinating all appropriate federal resources toward rural development aims, the absence of any real measure of authority to enforce this role seriously undermines its chances to become an effective force. Past experience with the "lead agency" concept does not leave us with high expectations. The agencies of

one department do not take kindly to receiving directives from another department; for the most part they ignore them. I am persuaded the best hope for putting teeth into the coordinative responsibilities of Title VI would be for OMB to assume the principal oversight responsibility, and for the Department of Agriculture to serve as the central staff resource.

Finally, the legislation does little if anything to clarify the conceptual basis of the rural development issue. It remains largely the abstraction it always has been. In a sense, the legislation seeks to continue the artificial (and, I think, somewhat futile) separation of society into rural and urban parts. The broad-based support the legislation has received to date can be traced, in part, to this condition. In the absence of anything beyond rhetoric, the issue has become all things to all men. In making the issue operational, one can expect these perceptions and, hence, the composition of support to change.

On a more positive side, let us consider what the legislation does. First, while the legislation does not provide a conceptual framework for dealing with the issue, it does offer an opportunity for establishment of a mechanism within which such a concept might be hammered out. There is widespread agreement that neither the executive nor the legislative branches have a strategy for dealing with the issue. In a sense, the Congress is admitting as much in requiring that the executive branch establish goals for employment, income, population, housing, and the quality of community services and facilities. If this request is taken seriously, it could have the effect of nudging the issue toward the objective specification it so badly needs. This offers a significant opportunity: one around which I hope the intellectual community will rally.

For the social scientists in agricultural research establishments, this legislation may sound an alarm. An alarm that says the conventional sources of information on rural affairs are no longer as relevant and useful as they once were or should now be. And, if necessary, national policy-makers will look to new institutional sources to meet contemporary research and extension needs. Personally, I was surprised by Congress's bold and frank approach to this point.

The legislation also demonstrates Congressional support for certain forms of institution building, especially that relating to the formation and operation of multi-jurisdictional development districts.

The authority to reimburse these jurisdictions for the cost of project reviews could (if funded) mark a significant step in the federal government's relationship with these emerging institutions.

Though the legislation does not provide the executive branch any major new policy tools, it does place some of those tools in different hands. The interests represented within the Department of Agriculture, in the agricultural committees on the Hill, in colleges of agriculture, and in all the other sections of the so-called agricultural establishment are at long last brought into direct contact with a tangible developmental authority. The absence of any real exposure to the complex forces of regional development, in the past, has been detrimental to the realism with which these institutions have faced the issue. I hope this contact with the real-life elements of the issue will offer the agricultural establishment a less fantasied, less nostalgic view of the world.

SESSION III

MANPOWER IMPLICATIONS OF THE RURAL DEVELOPMENT ACT OF 1972

MANPOWER IMPLICATIONS OF THE RURAL DEVELOPMENT ACT OF 1972

Luther Tweeten
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The manpower implications of the Rural Development Act of 1972 [4] are most notable not for what is included but for what is excluded; not for what is resolved but for what is unresolved. This paper is divided into two parts: the first focuses on implications for manpower planning and development that follow rather directly from the Act; the second focuses on manpower issues not treated or resolved in the Act, but which must be confronted in a comprehensive program for economic progress in urban as well as rural America. These latter issues include how best to integrate manpower with other programs for area development, the role of manpower services in moving people out of an area versus bringing jobs in, and finally, where to focus area development efforts.

Direct Implications

The various titles and sections of the Act contain provisions that involve the U.S. Department of Labor and manpower programs. Among other conclusions, the following analysis suggests that: (1) the challenge of preparing workers for new jobs created by Act programs will not be large because there will not be that many more jobs created; (2) the Secretary of Labor, in ruling on job pirating and competition with local firms, will be making very difficult judgments; and (3) the labor representative will have at least a small voice in the extension and research council of each land grant university provided funds under the Act.

Manpower for New Jobs in Industry

The Act provides $367 million in new grant authorization and virtually open-ended loan authorization. Imponderables preclude accurate prediction of jobs created and the attendant need for manpower services stemming from the Act, but crude calculations indicate the number of jobs created will be small relative to needs. Loans will be provided at rates of interest that cover borrowing and administrative costs. Because the rates at which the federal government can borrow are not much below rates of commercial lenders or those available from existing concessional lending agencies (EDA, SBA, state and municipal industrial development bonds, etc.) one should not expect a major influx of new industry to rural areas in response to loans under the 1972 Act.

Although the $50 million grants authorized for development of industrial parks and other services and facilities to support industry may be reasonably cost-effective in creating jobs, the sewer and water development grants of $300 million and pollution abatement grants of $75 million will draw few permanent new jobs to rural areas.

Based on an optimistic estimate of $5,000 required to create a permanent new job [see 5; 17, Ch. 14; 18], the entire *new* grant authorization would generate only 73,000 new jobs. Accounting for the job cost-ineffectiveness of most of the grants reduces the estimate; accounting for the influence of development loans increases the estimate.

The comparative impact of 73,000 new jobs (perhaps the most that can be expected even counting secondary impacts) depends on the need for jobs. Nearly 1.5 million rural workers are unemployed, but this figure fails to include the large number of able-bodied rural adults who receive earnings below their capabilities and desires. For lack of job opportunities, many potential rural workers either did not enter the work force or dropped out. Excess labor or underemployment in farming alone constitutes 2 million man-year equivalents [17, p. 168]. Kampe and Lindamood [11] estimated underemployment rates of 30 percent and more for many rural counties. An extensive rural manpower survey conducted as part of the Concerted Services program in Otter Tail County, Minnesota revealed that 1,718 persons were available for full-time employment [13]. This constituted 15 percent of the 11,211 registered in the manpower survey as compared to a total work force of 17,838. Nearly two-thirds of the participants expressed a willingness to commute to work, but only 13 percent would commute 30 miles or more.

It seems safe to conclude, based on general or macro studies as well as specific local studies, that jobs are needed for at least 3 million rural workers. The Act of 1972 will hardly dent the 3 million man-years of underemployment (including unemployment) in rural areas. To alleviate rural underemployment, one hundred times as much funding, or $36 billion at $12,000 public inducement, would be required to create a new job.[1]

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[1] *Several studies have examined the public subsidy required to create a permanent new job. The public cost, of course, depends on the size, type, incidence, and magnitude of programs used. I have concluded that a small program might create jobs for $5,000; a large program would probably require $12,000 [cf. 18].*

Loans and grants, particularly under Title I, that entice more industry to rural areas will require some expansion of manpower services. Training programs and employment surveys, counseling, and placement will be needed. Coordination and manpower planning required under the Act can, to some extent, be expedited under CAMPS (or successor) agencies, in which the U.S. Department of Agriculture participates. There would appear to be opportunities for the Department of Labor to cooperate with and assist rural vocational-technical schools to redirect training programs to meet needs for industry expansion.

Other manpower implications of a quite different nature stem from the need for personnel with skills required to manage the new industry loan and other activities called for in the Act. FHA and other USDA agencies have not performed these activities before. Training for administrators, perhaps at the university level, is required if programs are to be run effectively.

Avoiding Job Pirating and Competition to Local Industry

Opposition to federal programs in rural industrial development has come from two sources: urban unions which contend such programs "rob Peter to pay Paul"; and rural industries which contend such programs create unfair competition with existing firms. To allay such criticism, the Act precludes financial assistance in the form of loans and grants to private business enterprises "which is calculated to or likely to result in transfer from one area to another of any employment or business activity" and "which is calculated to or likely to increase production in an area when there is not sufficient demand to employ the capacity of such existing enterprises in the area."

In his role as overseer of the provisions designed to prohibit job piracy and undue competition with existing rural firms, the Secretary of Labor becomes a watchdog on the Secretary of Agriculture; a role not easily played. Grounds for disagreement are widened in the fuzzy judgments required. The Act itself is unlikely to create very many more jobs nation-wide, hence more jobs created in one area imply fewer jobs created in another area. Also some excess capacity exists in virtually all industries and areas. It is difficult to foresee a situation in which new industry does not affect existing local competing industries in some way. The solution is to locate new plants in areas void of like industry. This solution can unintentionally preclude obtaining external economies of scale that accrue because several firms from

the same or related industry locate in the same area. In the long run, presence of such economies can be decisive in creating economic viability for industry in a specific area.

Labor Representative on Advisory Council

Title V of the Act provides for coordination of development programs as well as small farm research and education with land grant universities in each state. The chief administrative officer (president) of the university in each state will appoint a State Rural Development Advisory Council to review and approve annual program plans for research and extension and to advise on the administration of these programs. "This Council will consist of not more than 15 members and will include persons representing farmers, business, labor, banking, local government, multi-county planning and development districts, public and private colleges, and federal and state agencies involved in rural development." The chairman of the Council will be the dean of the college of agriculture, and the dean of the college of engineering will be a member. The "good news" is that a representative of labor will be included, but the "bad news" is that his influence will be diluted by the many other interests represented. Hopefully, this council can be instrumental in encouraging research on some of the unresolved issues discussed later.

Locating Federal Structures in Rural Areas

Section 601 of the Act requires heads of *all* executive departments and agencies to give first priority to the location in rural areas of all new offices, facilities, and installations. The Agricultural Act of 1970, which required similar action, "in so far as practicable," was found to be weak and easily circumvented. The 1972 Act also has an escape clause: the Senate-House Conference Report makes clear that a new structure need not be located in a rural area "if there is an overwhelming reason" for locating it elsewhere. The term "rural" here refers essentially to non-SMSA, whereas in the Agricultural Act of 1970, rural was defined for this provision as "areas of lower population density," an ambiguous concept that made rigorous application difficult.

Obviously, Section 601 has implications for the location of manpower offices, facilities, and installations. But it is impossible to predict outcomes until the requirement is interpreted and its implementation more fully defined.

Some Major Unresolved Issues

Three issues loom large in rural development, but were confronted only peripherally, if at all, in the Act. The first is how best to organize for area development. Should all programs including manpower be combined under one administrator and federal department, with one department serving rural and the other the urban sector? Or should a given program such as manpower be combined for all sectors under one administrator and federal department? In reality, these polar types are not found in pure form. But the former "horizontal" approach is dominant in the 1972 Act. The President's federal reorganization presses toward the latter "vertical" approach.

The second major issue is the proper mix and level of manpower and other development programs. It is argued below that neither human migration, emphasized by neo-classical economists, nor job migration, emphasized by rural fundamentalists, is adequate alone. At the level each program is now being carried out, the two approaches are still far from adequate.

A third issue is critical. Where should public policy encourage job and population growth? What is the optimal place of residence, rural-urban balance, degree of decentralization and size for a city? Legislation such as the 1972 Act could result in permanent monuments, in the form of expensive facilities in nonviable communities, if economists and others fail to direct attention to such issues. Economies of city size, growth center strategy, and operation of labor markets and manpower policies are important to the issues discussed in more detail below.

Administering Programs for Area Growth

The Rural Development Act of 1972 represents another phase in the ebb and flow of power to and from the U.S. Department of Agriculture. The Department is best known for serving commercial farm interests, and has never achieved a reputation for serving the entire rural community. Some effort was made to recognize problems in the rural nonfarm sector in programs of the Resettlement Administration of 1935, which led to the Farm Security Administration of 1937, and in turn to the Farmers Home Administration of 1946. But, the progression from first generation programs to the third generation FHA represented not only firmer USDA control of the agency, but also a narrowing focus on commercial farmers. The Rural Development Program of 1955 and the

Rural Areas Development Program of 1961 explicitly recognized the broader problems of rural society and the USDA need for a rural clientele; yet these programs were little more than pilot efforts.

By creating the Area Redevelopment Administration (ARA) in 1961 and locating it within the U.S. Department of Commerce, the Kennedy administration and Congress signaled a major shift of responsibility away from the USDA for programs for rural areas. The training provisions of the ARA were later shifted to the Department of Labor and became part of the Manpower Development and Training Administration in 1965. Other ARA development programs underwent major revision and became part of the Economic Development Administration in the Public Works and Economic Development Act of 1965. These programs display increasing vertical organization, applying less than comprehensive development programs to all sectors.

A trend back to horizontal organization in which one agency is responsible for a somewhat comprehensive set of policies for a given sector is apparent under Title VI, Section 603, of the 1972 Act:

> The Secretary of Agriculture is directed to provide leadership and coordination within the executive branch and assume responsibility for a nationwide rural development program utilizing all agencies of the executive branch in coordination with rural development programs of state and local governments.
>
> The Secretary is required to establish employment, income, population, housing, and quality of community services and facilities goals for rural development and report annually to Congress on progress toward their attainment.

Although manpower activities are not explicitly part of the Act, the mandate and framework for bringing manpower services to rural areas under the Secretary of Agriculture's implementation of the Act are there. How much and in what form they will be used remains to be seen.

Clouding any inferences that can be made are two very real possibilities: (1) the President will not release funds to implement some or all sections of the Act, and (2) federal cabinet reorganization will realign domestic economic development responsibilities. Appointing Secretary of Agriculture Butz head of the natural resources "supercabinet" in January, 1973, hardly points toward integration of manpower with other programs for rural development.[2] Most manpower activities

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[2] *Programs could be integrated at the regional or multi-county district level even if separate at the national level.*

are unlikely to be administered within the same department as those called for in the 1972 Act. Section 507 defines rural development as "the planning, financing, and development of facilities and services in rural areas that contribute to making these areas desirable places in which to live and make private and business investments..." The definition illustrates preoccupation with place rather than people prosperity. It tends to emphasize investment in manpower only to make an area more attractive to industry, not to make a trainee more employable in attractive jobs outside the area. Employment services and other manpower programs are not widely viewed as an integral part of area economic development.[3]

Knowledge of Employment Services

The Rural Development Act of 1972 and other actions such as creation of a Rural Manpower Service in the U.S. Department of Labor stem, in part, from the feeling that rural people are not adequately served by federal programs. I digress to examine the issue of adequacy in the context of employment services to rural people. Data on the knowledge and use of the public employment service in rural areas are from family heads in the control and experimental groups of the rural income maintenance experiment in Iowa and North Carolina. The sample is reasonably representative of rural families in the two states, and is described in some detail by Bawden [1]. In 1970, family heads were asked where they would refer someone looking for work (see heading, Table 1). Two-fifths of the respondents were unable to suggest a place to get help. The public employment service and a private employer or business were each suggested by one-fifth of the respondents. If respondents suggested a nongovernment source of information, they were further asked, "Do you know of any government organization that might help them?" Addition of respondents who suggested the public employment service following this query to those who responded similarly to the first round question raised from 20 to 23 the percent of respondents who suggested the public employment service.

It is particularly distressing to note that in North Carolina--where incomes are lower, poverty more pervasive, and underemployment more pronounced than in Iowa--the public employment service was

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[3] *Also note the absence of manpower policies from regional economic development texts.*

Table 1 — Response of Family Heads to Question, "If you knew of someone who was looking for work but not finding any, is there any place you could suggest to him to get help in finding work?"

	Iowa				North Carolina				Total			
	(No.)		(%)		(No.)		(%)		(No.)		(%)	
No (Black only)[a]	112		37.2		214 (132)		43.6 (47.0)		326		41.2	
Yes	189		62.8		277 (149)		56.4 (53.0)		466		58.8	
Public employment agency		95		31.6		63 (30)		12.8 (10.7)		158		19.9
Private employment agency		22		7.3		13 (10)		2.6 (3.6)		35		4.4
Private employer or business		21		7.0		145 (89)		29.5 (31.7)		166		21.0
Friend or relative		15		5.0		21 (8)		4.3 (2.8)		36		4.5
Total	301		100.0		491 (281)		100.0 (100.0)		792		100.0	

[a]*Data for Blacks in parenthesis. The Iowa sample contained no Blacks.*

Source: Rural income maintenance experiment data, Center for Research on Poverty, University of Wisconsin, Madison.

suggested by only 13 percent of the family heads in the first round question, and by 15 percent when second round responders were added. Low percentages characterize both whites and nonwhites in North Carolina, although the percentage is slightly higher for whites. Persons in North Carolina appear to rely more on referrals to private employers or businesses.

When asked if they had ever had a problem finding a job, 16 percent of the Iowa respondents and 20 percent of the North Carolina respondents replied affirmatively. Of the 47 Iowa respondents who had problems finding employment, 23 percent had used the public employment service, while only 10 percent of the 96 North Carolina heads who had experienced such problems used the service.

Whether a 20 percent suggestion rate constitutes high or low recognition and confidence in a public service agency is a matter of judgment. The following two types of problems, one quite rare, the other frequent, provide some perspective for making judgments. The first question is:

> Let's suppose a family had its house burn down and had no money for food or clothing. Do you know of any place you could suggest they go for food or help?

The proportion, 62 percent, of family heads who could suggest a place to go was slightly higher than that for employment in Table 1. The proportion who suggested "public welfare agency" was 15 percent in Iowa and 20 percent in North Carolina. The higher figure for North Carolina might be explained by the fact that 12 percent in North Carolina had actually experienced such a problem compared to only 6 percent in Iowa. Unlike the employment response, nonwhites more frequently than whites suggested the most likely public agency (welfare office).

Nearly one in four farm family heads had experienced technical problems in crop production. The agricultural extension service has been widely viewed as a visible and successful public agency in dealing with these problems. A second comparison with the employment service is apparent from responses to the following question:

> Let's suppose you knew a farmer who was having a problem with his farming operations. Insects are eating his crop, or he doesn't know how much fertilizer to use, or he is having some problem like that. Do you know of any place he could go to get help or advice?

Ninety-five percent of the farm household heads in Iowa and 74 percent in North Carolina replied "Yes." A total of 58 percent of all farm heads in Iowa and 37 percent of all farm heads in North Carolina (27 percent of the Black farm heads and 46 percent of white farm heads)

mentioned the agricultural extension service. Private businesses such as fertilizer and pesticide dealers were mentioned by 22 percent of all heads. In a follow-up question, those who earlier listed a private source were asked, "Do you know of any government organization that might help him?" This question raised the percent of all heads who listed the extension service to 81 percent in Iowa, and to 46 percent in North Carolina, for a weighted average of 61 percent. These high recognition values were reflected in incidence of use: 53 percent of the Iowa farm heads and 35 percent of the North Carolina heads who had experienced crop production problems had used extension services.

In short, the frequency of rural heads who had experienced employment problems is not much less than the frequency of farm heads who had experienced crop problems. A high proportion of farm heads knew where to go for crop problem advice; a much smaller proportion of rural heads knew where to go for employment advice. Furthermore, because of greater investment by taxpayers in making services of the public extension service available to farmers and for other reasons, 43 percent of those who had problems used it while only 15 percent of the heads who had employment problems used the public employment service.

Moving People Out and Jobs In to Rural Areas

Neo-classical theory suggests letting the market influence where or how (migration of people or jobs) area development proceeds.[4] It has, moving in net some 40 million people from farms alone to cities since 1930. Yet rural underemployment persists and farm-nonfarm and rural-urban as well as interstate income differences have retained a remarkably persistent pattern for decades. Studies of labor mobility reveal that for each ten persons who leave farming, as many as nine

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[4] *Income disparities have persisted among sectors and geographic areas for decades. Why has not the market done a better job of restoring economic balance? Aside from very real issues of personal commitment of people to a geographic entity or occupation as a way of life and other frictions, I contend that even if no such frictions existed in the market, the mix would not be optimal. A major reason is externalities. Social costs of production exceed private costs in metropolis because problems of pollution, social unrest, traffic snarls, and other costs of congestion do not enter the private accounts of firms, and jobs and people continue to concentrate. On the other hand, private costs exceed social costs of production in less congested rural areas because firms frequently must pay minimum wage or union wages (branch plants of unionized firms) even though the real worker cost is low because of underemployment. Comparatively little output is foregone by employing underemployed and immobile rural workers.*

return [9]. Even with subsidized mobility projects (which provide jobs, counseling, travel funds and training for relocatees), it is not unusual to have three out of four relocatees return home within one year [cf. 15]. Based on several experiments, on the average, two out of three eventually return home.

Intensive surveys confirm that many who could potentially benefit from manpower services do not register, perhaps because the employment service relies heavily on referrals to local employers who cannot meet the needs for employment. A survey conducted under the Small Communities Program of St. Francis County, Arkansas, in 1965-66 contacted 3,700 job applicants, two-thirds of whom had not registered with the employment service local office [7, p. 62]. Of 775 referrals, 308 persons allegedly were immediately placed. Only 100 job openings were found in Otter Tail County, Minnesota for the 1,718 persons available for full-time employment. While evaluations [16] of Operation Hitchhike are fascinating and encouraging, if not yet rigorous, it seems safe to conclude again that referrals of job seekers to employers only in local rural areas are totally inadequate to meet the needs of rural people for jobs. Even use of the job bank with referrals to outside jobs, though helpful, falls short of meeting needs. Many underemployed will not move at all and most who do return home.

Though outmigration and manpower policies alone are inadequate area development policies, manpower programs generally require fewer public dollars to create a new job than do industry location policies (Table 2).[5] One problem with the estimates in Table 2 is that they do not account for the cost of compensating an area for outmigration of capital as persons go elsewhere. Schooling and other rearing costs can easily total $10,000, much of it from local capital. Revenue sharing conceivably could compensate, but revenue sharing restrictions specifically forbid using funds to pay schooling costs. Furthermore, shared revenue distribution is entirely unlike that required to attain efficient and equitable school funding [10].

Clearly, outmigration has been a massive, albeit defacto, way of dealing with underemployment in rural America. The issue is no longer a question of whether to bring jobs within reach of rural workers or

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[5] *It should be recognized that some manpower programs give very low payoffs [6]. Also many such as the JOBS program may be shallow, with costs rising as the program is expanded.*

Table 2 -- Public Cost for Creating a New Job for Rural Workers in 1972 by Alternative Programs

	(Dollars)
Public employment ($6,000 per year for 10 years with 40 percent productivity)[a]	36,000
Industry location through tax write-offs	12,000
JOBS program ($3,000 per job, one-half retention rate; including administrative costs)	6,000
Subsidized migration ($500 direct payment plus $500 for administration and counseling; one-third retention rate)	3,000

[a]*The value of marginal product is assumed to be $2,400 per year and is deducted from the annual public cost. Future costs are not discounted to the present.*

Source: Tweeten [18].

to bring rural workers to jobs. The current issue concerns finding the appropriate level and mix of these two approaches. Neither policy has been adequately supported.[6]

A study [14] of the benefits of new industry for rural areas reveals a positive addition to real output of goods and services with rural location compared to metropolitan location, because existence of rural underemployment and lack of mobility means labor can be utilized as low real cost. The call for jobs within reach of rural underemployed will crescendo with passage of a family assistance or related program to supplement income of the working poor. Cooperation between welfare, manpower, and job-creating agencies will need to be much closer than that provided in the 1972 Act.

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[6]*One obvious reason why policies to speed outmigration have not been stressed more is because politicians seem reluctant to lose their rural constituents and urban politicians seem reluctant to receive them. Perhaps this is so because the migrant tends to reduce average per capita income in the sending (rural) and receiving (urban) area. Parents are also reluctant to support policies which prepare for and speed the transition, because they do not wish to acknowledge that their children will leave the home community to find a place in the city. Although in all likelihood their children will leave since four out of five farm boys reaching adulthood are expected to leave farming in the next few years [12]. Another reason is, net outmigration leads to large outflow of local capital to other areas [10], and is a major self-degenerating element in what one author [17, Ch. 12] depicted as the "liminal theory of economic stagnation" and another called [2] "rural poverty ghettoization."*

Optimal Place of Residence

Even if there is acceptance that rural development means moving both jobs and people, there is little agreement on where. Optimal place of residence is closely related to issues of optimal city size, since most people will live in cities and cities are no longer heavily tied to an immovable natural resource base. The issue is also tied to growth center strategies. The decision, in a growth policy, to encourage one size of city over another can be based on several criteria including: where people say they would like to live; their attitudes, including anomie by city size; where they have "voted" to go, as reflected in past rates of population growth by city size; cost of community services per capita; and comparative profits by industry by city size.

For rural growth centers, the issue of impact on the hinterland is also important. The strategy of using a growth center as a focus for rural area development had reached widespread acceptance by the 1960s, but is now under intense criticism. The strategy is criticized by local development practitioners who, in order to maintain broad support from people in their area, must not favor growth in one city over another. Two recent EDA reports [3, 5] strongly criticize current growth center strategy, but for quite different reasons. One study [5] concluded that target efficiency was low in creating jobs in growth centers to help depressed redevelopment areas—only about one-seventh of the created jobs were filled by workers from redevelopment areas. New jobs created in redevelopment areas themselves had much higher target efficiency. Other studies [3, 8] concluded that current growth centers are too small to be economically viable, and cited faster growth rates in economic areas of 250,000 to 1 million population than in smaller areas. Urban influence studies are also cited to make the case that current growth centers are too small. On the other hand, gravity models seem to indicate that distance is more important than size of city for most variables that influence hinterland residents. Open country residents appear to benefit more, economically, from being 10 miles from a city of 25,000 than 100 miles from a city of 250,000. In short, evidence cited on growth rates and sphere of influence is so weak, it constitutes little grounds for the conclusions reached. The subject of optimal place of residence in this nation needs study. Nonetheless, it is apparent that many rural areas provide inadequate job opportunities even with job-creating activities under the 1972 Act,

and it would be entirely premature to abandon manpower programs geared to moving people to attractive opportunities elsewhere.

Summary and Conclusions

Local and national programs to bring jobs to rural people have dominated the rhetoric of rural development. Comparatively little commitment of resources backed this rhetoric, and the Rural Development Act of 1972 seems to be no exception. The major development policy, albeit defacto, has been massive outmovement to the metropolis, where over three-fourths of the nation's growth is likely to occur in the 1970s. Outmigration may have reduced incomes of the sending (rural) and receiving (urban) areas, yet has increased national income per capita and should be encouraged. But it alone is not adequate—many underemployed people will not move and many who do move return home. Jobs created in rural areas utilize labor resources that have low opportunity costs and should accompany policies to encourage outmigration.

Many issues have not yet been confronted in domestic development policies, especially the issue of how to integrate employment services, training, welfare, job creating, and other activities in an optimal level and mix to achieve desired development targets. We do not have a very objective basis for knowing where, by geographic location or city size, development should occur to best improve well-being of society. One EDA publication [5] would lead us to believe that jobs should be created in small centers, close to depressed areas; another [3] would lead us to believe that jobs should be found in large centers, remote and distant from depressed areas. Both agree that current growth centers are not effective.

The need for coordination in development programs is obvious. Manpower programs such as Operation Hitchhike, Concerted Services, MDTA, as well as job placement by the employment service, seem unduly geared toward local jobs and attracting industry. For this approach to work, jobs must be available locally. Two changes are needed: in some instances these manpower programs must be geared to jobs outside the area; in other instances teeth must be put in programs to bring jobs within reach of rural residents and to utilize their skills. Obviously, combinations are possible. But the fact is that neither current manpower nor job development programs reflect the magnitude of problems faced, in part because economists have not measured that magnitude.

Title V of the Act calls for considerable outlays for research and

education on rural development: $10 million in Fiscal Year 1974, $15 million in 1975, and $20 million in 1976. It provides an opportunity to do some truly comprehensive socio-economic planning and should go beyond the data gathering, feasibility studies, and land use planning that characterizes so much of development research. An important element in this research should be to determine how manpower programs can best complement other programs to reach development targets, measured in terms of the level and distribution of income and quality of the environment. Much planning can fruitfully focus on multi-county districts and how better to implement policies. Other planning can focus on national policy strategy for area development, including how to make more effective use of public funds as rural development legislation is revised in future years.

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MANPOWER IMPLICATIONS OF THE RURAL DEVELOPMENT ACT OF 1972: A SOCIOLOGICAL PERSPECTIVE

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My purpose here today is to consider the manpower implications of the Rural Development Act of 1972. While the Act may prove to be a foundation for the revitalization of our nonmetropolitan areas, this can only happen if the authorized financial and other resources come into reality.

In many ways, the Act is a paradox. It is primarily the result of long-standing bipartisan efforts in the Congress rather than an initiative from the executive branch or cabinet-level agencies. However, while the Congress has been slow to move on the reorganization of the federal government as proposed by the President, the Act does pave the way for the orderly transition of rural development activities from the U.S. Department of Agriculture to the proposed Department of Community Development. Opposition in the Congress has beat the Administration to the punch with legislation whose time has come, and in the process, has developed the groundwork for a more orderly governmental reorganization.

It is tempting to use this opportunity to look at the Act critically; however, that is not my purpose. As a sociologist, I feel I have the obligation of not only reviewing the manpower implications of the Act, but also looking at some of the secondary or latent effects the Act may have on individuals, collectivities, and communities.

The Rural Development Act is viewed by many as laying a firmer foundation for the revitalization of our rural areas and, consequently, stemming, or even reversing the flow of migration from the countryside to metropolitan areas. Others have said the Act really isn't anything new, and that as simply more of the same, it will be administered and implemented through agencies that have been unresponsive to the real needs of rural areas.

Whichever position is taken--and there are many between these extremes--the effect of this legislation will, in large part, be determined by the support received over time from the executive branch of government through the budgetary process.

A rather significant piece of legislation was enacted in 1955 that affected the mission of my own organization, the Cooperative

Extension Service. That amendment to the Smith-Lever Act enabled the Cooperative Extension Service to move vigorously toward "cooperation with other agencies and groups in furthering all possible information as to the existing employment opportunities, particularly to farm families having underemployed workers. . ."[1]

If this opportunity had been supported through funding and administrative sanction, the Commission on Rural Poverty may not have had to include its recommendation #4 under the Manpower Policies and Programs section of their report. This recommendation reads as follows:

> The Federal Government (shall) participate in the employment service programs at State and local levels, to whatever extent is necessary to guarantee equitable and complete services to all rural people.[2]

Only recently in some states has the Cooperative Extension Service become involved to any extent in the intent of the 1955 amendment to the Smith-Lever Act. Their involvement has not come as an initiative of the U.S. Department of Agriculture, but as a result of an initiative fostered by the U.S. Department of Labor through the Hitchhike Program. There are other reasons, in addition to lack of funding, the Cooperative Extension Service did not move more vigorously toward developing comprehensive cooperative manpower programs. I will not attempt to cover them here. However, many of these barriers (perceptions of the client system; institutional barriers to change within the agencies and various sectors of society; limitations of present personnel to develop new skills, behaviors, and attitudes; etc.) will stand in the way of the Act under discussion today--even with Administration sanction, support, and full funding.

First Level Manpower Implications of the Act

While all titles of the Act contain manpower implications, those of particular importance for our consideration are found in Titles I, V, and VI.

Title I contains numerous amendments to the Consolidated Farmers Home Administration Act of 1961. Not the least of these is changing the generic name of that Act to the Consolidated Farm and Rural Development Act. While Farmers Home Administration has had an increasingly

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[1] *Public Law 360, 84th Congress, Chapter 798, 1st Session, S. 2098, Section 8, paragraph (c) # (3).*

[2] *National Advisory Commission on Rural Poverty, The People Left Behind, (Washington, D.C.: U.S. Government Printing Office, 1967), p. 28.*

large role in efforts to provide physical facilities and various other amenities to rural areas in recent years, this change will vastly increase the scope of the agency's grant and loan authority. The inherent philosophy seems to be that development can be spurred by the ready availability of financial resources to provide for a variety of physical and recreational facilities, as well as operating capital for business and industry located in nonmetropolitan areas.

The last chapter in the history of these programs has not yet been written. When it is, we may find that some of the programs initiated through the Farmers Home Administration during the 1960s may well have had a negative net effect on the potential for some communities to attract jobs through new industrialization. The major rationale for funding community recreation facilities (golf courses, club houses, swimming pools) was that these would be important considerations in attracting industrial prospects to a community. And they are. Unfortunately, the net effect may not have been positive.

In doing field work for another project in four rural Kentucky counties during the summer of 1970, the short-run negative effects of FHA-financed community recreation facilities were noted. In each case, the Industrial Development Foundation had been active at the county level in the past, but was currently inactive. Unfortunately, the same individuals who were providing the leadership for this Foundation, were also providing the leadership for an FHA-financed country club. In each case, the country club was fighting for its life. All the resources of this pool of leadership were invested in an attempt to maintain the country club and there was no energy left to invest in the search for new industry. In each case, the current inactivity of the Industrial Development Foundations could be traced to the opening of the local FHA-financed country clubs.

The definition of "rural" for the purposes of this Act is also particularly revealing. In this case, many of the benefits of the Act will be available to those areas that contain a city of less than 50,000 inhabitants and all the provisions apply to those cities and surrounding areas with population of 5,500 or less. This would mean that somewhere between 30 and 40 percent of the U.S. population would become eligible for direct and indirect benefits from authorization of this Act. In his discussion of the Act on the Senate floor, Senator Talmadge repeatedly indicated that one of the major intents of the Act was to provide the same level of federal programming for

nonmetropolitan areas as has been already authorized for metropolitan areas.[3]

Specifically, this title provides for new loan and grant authorities, and increases various categories of existing grants. It provides for loans to rural residents to establish small businesses. The limits of these loans are $100,000 and may be made only to individuals, not to partnerships or corporations. While loans and grants for rural water and sewer systems have been available in recent years from the FHA, this title also provides for loans for other facilities such as community buildings, fire stations, etc. Another major new loan area is a broadly-based authority to loan funds for almost any purpose that will increase business activity and provide employment. For the first time, loans to youths under 21 are authorized where capital is required by an individual to carry out his or her project activity as a member of a rural youth organization. And finally, loans for operating expenses are authorized for rural businesses to assist in stabilizing employment as well as to provide agricultural, as well as other rural employers, assistance in complying with the Occupational Safety and Health Act.

These latter authorities are aimed at stimulating and increasing employment in rural areas. Specific manpower implications may be as follows:

(1) Mandatory upgrading of the State Employment Service mission in nonmetropolitan areas to provide a full range of manpower services to all residents on par with similar services provided to metropolitan area residents.

(2) As an extension of (1) above, assistance to new rural employers in recruiting, screening, and training potential employees.

(3) Maintenance of an up-to-date manpower inventory for all potential rural employers to inform them of the quality and quantity of the available labor force.

(4) Assistance to community colleges, technical and vocational institutes, etc., in becoming responsive to employer needs within their service areas. This may require an infusion of outside funding and staffing to meet the needs for developing specialized short-run training programs.

(5) Development of a deeper understanding on the part of all agencies serving the rural areas, especially the multi-jurisdictional planning agencies, USDA and other agencies,

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[3] *Herman E. Talmadge, "Explanation of the Rural Development Act of 1972, Public Law 92-419," Committee Print, Committee on Agriculture and Forestry, United States Senate, (Washington, D.C.: U.S. Government Printing Office, August 31, 1972).*

of the legitimate manpower components of their respective programs. Assisting these other agencies in carrying out their specialized mission through staff and financial support where necessary.

(6) Development of a deeper understanding on the part of the general population of potential for development based on a sound manpower policy and program serving their area.

There are additional new grant authorities to provide monies to create benchmark development plans for affected areas as well as grants for pollution abatement and control to individuals, businesses and communities to protect or improve the quality of the physical environment. Public bodies are now eligible for new grant funds to be used in facilitating the development of business enterprises: establishment of industrial parks, building required structures, site development, etc. There is an increase in the grant monies for waste disposal systems, including all waste disposal, not just sewer systems, and an increase in the grant level for developing comprehensive water and waste disposal plans.

These latter categories have long-run manpower implications since development may be limited in many areas by the lack of availability of various physical developments and long-range benchmark plans from which to begin. Once the potential for jobs has been determined, the same manpower services will be required as indicated above. One strategy that might well speed up development of selected areas is to be certain that all manpower services are implemented and operable prior to completion of physical facilities.

Section 502 (c) of Title V of the bill would also seem to have direct manpower implications. This paragraph deals with small farm extension, research and development programs. The intent is to accelerate research and extension programs on new approaches to management for small farms, production techniques and technologies, new products and cooperative marketing and distribution structures. This section could be viewed as more of the same since it reiterates one of the basic mandates of the land grant system. The new ingredient, however, is the inclusion of all institutions of higher education. While funds would be administered by the land grant institution in a state, all other institutions of higher education would be eligible for funding of approved projects.

The funding authorizations of this title are relatively modest and are limited to three years. While my own state of North Carolina

would be eligible for roughly $350,000 during FY 74 under the authorization of this title, perhaps only about one-third of this amount would be channeled directly into the resolution of problems faced by the small farmer. And many of these problems are institutional in nature and can only be affected by a change in the national policy (which, for over 100 years, has placed highest priority on low-cost food and fiber).

Who are the small farmers the provisions of this title would affect? Are they the small landowners who have limited capital and other resources? Are they the renters who have even fewer resources and less control over the destiny of their land? Regardless of the target audience, we must assume we are referring to those farm operators whose net income is below the level required for reasonable and comfortable existence. If we can agree that, on the average, net farm income is roughly one-fourth of gross farm income, we would be attempting to raise the gross incomes of about three-fourths of our farm operators above the $16,000 per year mark. A formidable task!

More realistically, these new resources should be utilized to help farmers develop skills that might be salable in an expanding labor market, and, at the same time, assist them in utilizing their farming skills and other resources more effectively to supplement income from nonfarm work. By recognizing and reinforcing the trend toward part-time farming, these resources become a means of supplementing income from nonfarm employment and are not viewed as encouraging full-time farming. The farm family can remain on their land, accrue any real or perceived benefits from this residential location, and the pressure to migrate to urban centers is limited.

This trend toward part-time farming has been most apparent in the highly industrialized north central and northeastern states, but is becoming more common in other sections of the country. However, in all cases, part-time farming as a way of life had its origins in a rapidly expanding industrial labor market. The impetus for the rapid expansion of industrial employment has been generally in cases of national emergency, such as World War II and the Korean conflict. We have seen a similar phenomenon at work near federal installations (military and other) in other sections of the country.

Some small marginal operators will need to improve their positions in the marketplace through development of specialty enterprises, but by and large this would constitute a relatively small proportion

of the eligible farm operators.

The Cooperative Extension Service's farm and home development program of the late 1950s had much the same thrust. Unfortunately, many of the most successful efforts of this initiative have not been widely reported because they were in opposition to the original intent of the program. Marginal farm operators were assisted in increasing their income through acceptance of nonfarm employment. Many either moved to a part-time farming status with an enterprise structure compatible with off-farm employment, or moved out of agriculture entirely.

We might have learned a lesson from past experiences, i.e., under current national "low-cost food" policies, only those agricultural entrepreneurs who can compete in the marketplace will be successful in maintaining their enterprises. All those who cannot deal with the competition are forced out, or become marginal producers.

The question we must face is not whether farming as a way of life is good or bad, but whether we as a nation will choose to support small farmers through transfer payments, or other means, to maintain them at a comfortable living wage without a change in the national low-cost food policy.

In recent remarks, C. E. Bishop pointed out that it has been the consumer, not the agricultural producer, who has been the beneficiary of increasing agricultural efficiency through the adoption of technological and other innovations.[4] Therefore, in addition to the thrust intended under this title for the small farmer, every effort must be made to develop nonfarm job opportunities and provide relevant manpower services so that the farm operator, or others in his household, will have the opportunity and the ability to capitalize on an expanding labor market.

Perhaps the most significant portion of the Act, at least as far as short-run benefits are concerned, is found in Title VI, Section 601. This section closes a loophole in the Consolidated Farmers Home Administration Act of 1961 and directs the heads of all executive departments and agencies of government to establish and maintain departmental policies and procedures giving first priority to the location of new offices and other facilities in rural areas.

As pointed out, the impetus from a national emergency or the

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[4] *C. E. Bishop, Remarks at the Farm-City Week Kick-Off Luncheon, (Raleigh, North Carolina: North Carolina State University, November 15, 1972).*

placement of a federal installation has a long history of providing the economic generator that can spark development of nonmetropolitan areas. Some would argue this policy can never be implemented because the pool of skills required for many federal installations is not available in nonmetropolitan areas. However, it can also be argued that the implementation of this policy could generate a reverse migration of individuals who possess these unique skills, while providing a variety of entry level jobs for less skilled rural residents. The real payoff from implementation of this policy can come from the development of a secondary labor market in the service and construction sector to meet the needs of a more affluent labor force. Of all the provisions of the Act, this particular section seems to hold the best short-run promise for rapid development and revitalization of selected nonmetropolitan areas.

While I have emphasized the first-level manpower implications of the Act, perhaps even more important in the long run, are what I choose to call the second-level implications.

Second Level Manpower Implications of the Act

In discussing rural development from a sociological perspective, James H. Copp recently pointed out:

> ". . . rural development is not a research problem; it is not a theoretical concept; rather it is a policy goal.", and further, ". . . rural development is a process aimed at improving the well-being and self-realization of people living outside urbanized areas through collective efforts. In other words. . . the ultimate target of rural development is people. It is not infrastructure, it is not factories, it is not better education or housing, or even communities. These are only means. . ."[5]

While we are concerned with development, and more specifically the manpower implications of development, we are, in fact, attempting to inject elements into the system that will cause imbalance, but that will return the system to a state of equilibrium at some different level.

While equilibrium theories hold fewer adherents within sociology today than they did some years ago, for purposes of this discussion the concept of equilibrium can be utilitarian. There are many social

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[5] *James H. Copp, "Rural Sociology and Rural Development," Presidential Address to the Rural Sociological Society, (Baton Rouge, Louisiana: August 26, 1972), pp. 5-6.*

systems existent in rural areas, but we will confine our discussion to three major ones: the family; voluntary associations or collectivities; and the community.

The Family. The keystone social system in the impact and effectiveness of any rural development effort is the family. This unit not only consumes and produces, but also has the legitimate responsibility for replacement of personnel for the larger society. It is within this unit that societal values are transmitted, attitudes are formed, and development of skills consistent with these values and attitudes are shaped. The generic Act under discussion overlooks the involvement of, and impact on, this keystone social system.

Since one of the first-level intents of the Act is to increase employment in rural areas, we should consider some of the consequences this intent has for the family.

Jobs must have a reason for being. There must be some generator or base that provides the impetus for an expanding labor market. In the past, this has been within the industrial sector, either in manufacturing or in one of the primary extractive industries. Today there are certain other types of firms or establishments, e.g., various federal installations, higher education institutions, health care facilities, etc., that can also perform this function. The language of the Act would lead one to believe that the intent is to place major emphasis on the development of jobs through manufacturing. Most of these jobs probably would be associated with labor-intensive manufacturing industries. But the future for an increase in this type of employment is even more questionable today than in the past. In commenting on the recent White House Conference entitled "The Industrial World Ahead: A Look at Business in 1990," John Fernstrom pointed out that most businessmen in attendance felt that:

> ". . .the manufacture of products with low value and high labor input should be carried on where it is cheapest and that this equates with labor intensive plants being located outside of the United States."[6]

While this Act provides certain types of assistance to industries that will create new jobs in nonmetropolitan areas, it does not go to the lengths that would be required to reverse the philosophy expressed above.

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[6]John R. Fernstrom, "Industrial Development Research and Changing World Economies," AIDC Journal, Vol. VII, No. 4, (October, 1972), p. 79.

Unfortunately, even in labor-intensive industries we find that certain skills and attitudes on the part of employees are required if they are to be successful. Carl E. Annas, Area Manufacturing Executive for Burlington Industries, highlighted this as follows:

> "Admittedly, in many of the heavily agricultural communities we (Burlington Industries) have experienced the same difficulties other industry has met in finding sufficient numbers of applicants with basic skills and attitudes required in the modern textile plant."[7]

Even if national policies can be developed that will support the thrust for rural industrialization envisioned by this Act, we still are dealing with attitudes toward work, and it is in the family where these attitudes are nurtured.

Rural family units usually represent a more traditional role orientation regarding various family members. The male household head is expected to be the breadwinner, while the female, or wife, is expected to conform to a traditional feminine role and not be actively involved in the labor force, except in various farm or agricultural enterprises that are labeled "women's work." Many labor-intensive industries are better able to capitalize on the skills and attitudes of women than men in the rural labor force. Consequently, with employment available to rural wives and mothers, but not many rural males, families may be faced with "identity," or "role" crises.

What happens to child-rearing patterns in these families? Are traditional sex role models reinforced by the father who is effectively excluded from the nonfarm labor force? (Even in these days of Equal Employment Opportunity, few males will accept employment in the garment or sewing factories because that is defined as women's work, and indeed few men possess either the skills or the attitudes required for this type of employment.) Are more contemporary role models reinforced by the mother who has become exposed to a wider range of opportunities, or does a state of anomie, or normlessness, prevail? While the first round of rural industrialization through labor-intensive industries may increase family income and consequently generate a broader range of employment opportunities, we have not as yet received the final answer to the potential for long-range development. We do not

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[7] Carl E. Annas, "Problems and Advantages of Rural Locations by Labor Intensive Industries," Agricultural Policy Review, Vol. 10, No. 3, (Raleigh, North Carolina: Department of Economics, North Carolina State University, 1970), p. 8.

know what is happening to the next generation of the labor force, i.e., the children of today.

While the current Administration has taken a stand against widespread federal support of day-care facilities for children of low-income working mothers, it did allow this Act to become law, and consequently, gave renewed impetus to the potential for the development of a whole wave of newly emerging labor-intensive industries. Many will be staffed by women whose children could benefit positively from socialization experiences as well as the security available in properly developed, staffed and supervised day-care facilities. Where will this leave us as the next generation enters the labor market if these services are not available?

While there is ample research on minority groups regarding the role crisis for the male household head when confronted with apparently nonviable role alternatives, it seems we have not learned very much. Unless comparable employment opportunities become available for the unemployed or underemployed males in the rural labor force, there is a high possibility that the negative social consequences of a higher incidence of desertion, divorce, alcoholism, suicide, and other forms of social deviance might more than offset the increased family income and well-being possible through new employment opportunities for females. Are the potential consequences of this type of rural development worth the risk? We may be wiser today than we were in the past, but by and large, development has been based on labor-intensive industries, too often with an imbalance of female employment, and it has taken at least one generation to develop a more diversified and balanced employment mix. Which manpower policies and programs will foster a more orderly and rapid development? Which ones will have the least potential for upsetting family equilibrium yet hold the promise for reestablishment of an equilibrium at a more desirable level?

Another family-connected problem might be the fact that most of the new jobs generated will be for the younger members of the labor force, those under 45. Since rural areas already have more than their share of the elderly, what will be the consequences for the families of people in this age group? We could say they've been getting along in the past; let them plant a little garden and they'll get along in the future. But will they be able to "get along"? If they are currently employed primarily in agriculture, and more specifically if they are farm operators, an increasing affluence on the local level

might have some positive effect on their sales. However, there is a much higher possibility that their seasonal labor force will be absorbed in the new employment market. The costs of doing business (especially real estate taxes) may increase as a result of the needs of the new industries and residents (for public services, schools for employees, recreation facilities, etc.). While the price of their land could increase, it might make the cost of acquiring the additional property for a capital-intensive rather than a labor-intensive agricultural enterprise too high. Also, with only a few years left for them in the labor force, additional investments might be unwise.

What about those living on fixed incomes? New jobs, new plants, and perhaps new people will spell higher costs for retirees and pensioners. Real estate taxes will be increased to cover the cost of new services required by industries and new residents. For those who lease, rental rates will go up. While new industries and jobs may bring various services that were nonexistent or inadequate before, such services may be beyond the means of those families living on fixed incomes.

Another real consequence for this age group could be a further weakening of the extended family structure because of time requirements and commitments of the industrial labor market. If we agree that rural residents are somewhat more resistant to change than nonrural residents, there is a possibility that during the first generation of increasing employment opportunities for younger members of the population, the elderly will be overlooked. They have not, by and large, developed the skills and abilities necessary to adjust to change and affect new role models. They are locked into the past. Only as the current generation leaves the labor force can we hope for some positive changes, and then only if this generation has learned how to live with and adapt to change.

It quickly becomes apparent that rural development is not a panacea, especially for the family. In fact, the disequilibrium of the family social system caused by development could create more real and complex problems than it solves. No families or age groups will be exempt from this disequilibrium. Only when individuals and families develop the skills to adjust to and capitalize on change can a new equilibrium that is more positive than negative in its consequences be established.

Voluntary Associations and Other Collectivities. The time and scheduling constraints of the new and emerging rural labor market has direct implications for the continuity and effectiveness of the social

systems described as voluntary associations or collectivities in rural areas. The implications accrue from the possibility that the labor force will contain a rather high proportion of females, that industries will operate 24 hours per day, 7 days per week, and involve revolving shift schedules, e.g., paper, textiles, chemicals, etc., as well as of a new affluence for the labor force.

Barn raisings, labor exchanges, and quilting bees are a part of the rich rural heritage. While many of them had an economic base, they were primarily social affairs. However, in addition, they performed many functions including social control, social welfare, communication along with value and attitude reinforcement and/or modification. The tyranny of the time clock has all but eliminated this form of voluntary association. We as a society, both rural and urban, have passed these responsibilities on to other social systems. Social control and welfare are primarily governmental responsibilities; communication is left to the media; and value and attitude formation and modification are now shared with the church and the school. In many cases, the family and other voluntary groups have very limited input into this sector. In many families, children spend nearly as many hours on the school bus as they do in direct contact with their parents!

There still is evidence of this rural heritage in many existing voluntary organizations: the volunteer fire department and rescue squad, church-related women's service groups, and newly emerging self-help cooperatives. However, many of the more traditional rural voluntary organizations (general farm organizations, Extension-sponsored organizations, neighborhood self-help groups) have not adjusted to a changing society. They may be alive as organizations, but are dead as far as their effectiveness is concerned.

As responsibility for social control, social welfare, communication and value reinforcement and/or modification have been passed on to other collectivities, voluntary associations have lost much of their impact. All too often, decisions in these areas are not consistent with the desires of individuals or groups. As this locus for decision-making and action has moved from the local to the state or national level, these organizations have not been able to affect policies and programs for their areas, and, consequently, have fallen from the mainstream of activity.

Many new voluntary associations are emerging in rural areas, but most are direct transplants from metropolitan areas and bring with

them urban values which sometimes are in conflict with the value structure in rural areas. This can cause a further cleavage with existing rural-based voluntary associations.

By and large, rapid industrialization and expansion of the labor market is a real threat to existence and effectiveness of the voluntary associations. As people have more money and less time, they tend to purchase services that formerly were rendered by voluntary associations. While this has the long-run effect of creating more jobs, the negative consequences of a loss of identity and pride brought about through voluntary community action are felt. The final outcome in the loss of this tradition can be seen in the philosophy of "let George do it"; George may not have the best interest of the individuals or community at heart.

While rural voluntary associations have the potential for developing a viable link between decision-making and action structures that affect the lives of rural residents, rapid change through industrialization may destroy or inhibit this possibility. As we look at these second-level manpower implications of the Act, it becomes apparent that a great deal of emphasis should be put into developing a complex of voluntary associations and other collectivities that will capitalize on newly emerging opportunities embodied in a new affluence. If the impact of rural development programs and policies is to have positive long-run effects on rural areas, it is imperative that the American tradition of voluntarism be nurtured and fostered throughout these social systems.

The Community. The community itself is a complex of many social systems. As development takes place, existing systems must adjust and change to accept new responsibilities and opportunities, or a serious disequilibrium can develop within and between the various social systems.

Earlier we pointed out some of the implications for the family as employment opportunities for females are introduced. What happens in the community if the relevant social systems are not able to adjust to this change?

Perhaps the first segment of the population to suffer the direct consequences of this change will be the children of working mothers or both parents who work away from home. In the short run, very little effect may be felt, since children are viewed as a family responsibility. While there is a good bit of evidence that children of working mothers do not necessarily suffer in their development from the mother's

absence from the home, most of the evidence pointing in this direction has been gathered from locale in which there seemed to be an adequate level of supporting resources, including the extended family, to fill in as surrogate parent in the absence of mother or father.

The extended family also can be victims of the development process. Those relatives who are in their productive years also may be active in the newly expanding labor force, while the elderly extended family members may no longer be resident in the community or live far enough away from the working families with children to make it difficult to make a direct contribution to child care and socialization. There is a possibility that children from these families will have more unsupervised time than ever before.

If the school system does not adapt to this increased discretionary time and provide new educational and enrichment opportunities, young people will find a way to fill their hours, not always productively. If the churches and other voluntary associations do not accept the challenge of providing day-care for infants and pre-school children as well as other programming opportunities for children of working mothers, the consequences may accrue to the next generation as well. If the business and governmental social systems do not adapt their opportunities and programs to this more affluent, less incumbered youth audience, again the effects may be unwise use of discretionary time. There already is too much evidence of this phenomenon in our rural areas and small towns where the unanimous cry of teen-agers seems to be "there's nothing to do." As one young lady put it recently, "the most exciting thing that has happened in our town in the last five years is the opening of a new Robot Car Wash!"

There are many direct implications at the community level as well for that segment of the population no longer in the labor force, those who are unemployable because of age, lack of marketable skills, etc., as well as those living on fixed incomes. Some of these consequences have been discussed. However, perhaps the most significant implication for the community is the very real possibility that this latent pool of human resources will not be tapped in the process of orderly development and change because only limited knowledge and resources are available for their meaningful involvement.

If a community does not do an adequate job of planning before the wave of development, it might find itself in the position of having insufficient or inadequate public facilities (water, sewerage, streets,

solid waste disposal, community facilities). And it may become difficult, if not impossible, to correct these inequities. If a sound, long-range plan has not been developed and followed, the community might find itself limited in its continued search for orderly growth and development because of poor site locations for industries, housing and commercial developments, school locations, etc. It might also find that, because of a lack of planning, it has created a situation that is causing extensive damage to the physical environment.

While the Act does provide monies for "benchmark" planning for development, there is little assurance that, once plans are developed, they will be closely followed. Too often, short-run development gains have a long-run negative impact on the development potential for localities. While the individual is to be the ultimate target for all rural development programs, the Act provides no direct programs or resources for this task. Consequently, in the development of the manpower programs necessary to the potential of the Act, it will be necessary to develop parallel programs and policies that will have an impact on the other areas of human resource and organizational development.

There is no clear formula that, if applied, could bring rapid and orderly development in our nonmetropolitan areas through application of the funding authorities and other initiatives present in this Act. For the full potential of this significant new opportunity in rural development to be realized, not only will relevant manpower programs and policies need to be developed and implemented, but resources will need to be developed that provide for a revitalization and rebuilding of the total rural institutional structure. Unfortunately, there is no real, comprehensive plan for this task either.

Where Do We Go From Here?

While much of what I have said has a somewhat negative ring, I do not wish to close on that note. By nature I am an optimist and an idealist, and I do believe we have the power and insight to utilize the opportunities generated by this Act to spark the orderly and rapid development of our nonmetropolitan areas. However, for my optimism and idealism to bear fruit, a series of parallel developments, and/or changes will be needed:

(1) A national manpower policy, based on full employment for all citizens, must be developed and implemented.

(2) The national low-cost-food policy must be reevaluated in light of the requirements of a post-industrial economy. We are long

past the point when we can justifiably exploit one segment of the labor force for the benefit of other segments.

(3) Equity of access to all services, not just manpower services, must be assured to all citizens, regardless of residential location. This will require the development and implementation of new delivery systems for many types of services, and a reevaluation of national priorities to insure the possibility of this development.

(4) While governmental reorganization does hold the promise of some movement in this direction, there is the very real possibility that new organizational structures built on the foundations of existent ones will complicate rather than simplify the system (i.e., USDL becoming a part of the Human Resources Branch, USDA being split between the Community Development, Human Resources and Natural Resources Branches).

(5) And finally, we must never forget that the real target of all development programs is people, not firms, communities, the economy or the nation. Only when we place development of human potential first and foremost can the full benefits accrue from the availability of resources for institutional development.

Given the reality that the above cannot be implemented in the short-run, perhaps we can look more realistically to the present systems serving the needs of nonmetropolitan areas to become more responsive in the following ways:

(1) Accept the mandate to deliver services, including manpower services, to the residents of nonmetropolitan areas to at least the level available to residents of metropolitan areas.

(2) Vigorously implement the intent of Title VI of the Act that directs the Secretary of Agriculture to serve, not only as coordinator for all rural development programs and activities, but directs that the resources (office facilities and others) of USDA agencies now serving nonmetropolitan residents be available to the personnel of other agencies concerned with rural development.

(3) Work vigorously to gain the sanction required to redefine the mission of relevant rural service agencies and personnel so that more existing resources might be effectively committed to human resource development.

(4) Support policies and programs that will form the basis for the development, support and implementation of educational endeavors that will make it possible for all citizens to benefit from a responsive and quality program of continuous education and learning.

Until each of us as citizens of this nation and as members of the various institutions we represent assumes the full responsibility for development and implementation of policies and programs that will make it possible for each person to develop his or her full potential without the sacrifice of human dignity, our nation and the world may not be as good a place in which to live as it might be.

IMPLICATIONS FOR MANPOWER PLANNING OF THE RURAL DEVELOPMENT BILL OF 1972

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I cannot suppress a wry note as I begin by noting the possible ironies of our meeting here to discuss the manpower implications of this new Act, which has to mean in our minds an expansion when most signals point towards a retreat across the board elsewhere. Nonetheless, I propose to approach the subject with some optimism. In this spirit I've approached my topic with one question in mind; are there things we have learned in the past ten years that can be applied with advantage in a new effort? Specifically I've been asked to speculate on the implications for manpower planning of the Rural Development Bill of 1972.

Although all of us know about manpower planning since we talk about it, and some of us even work at it, we might benefit from a careful formulation as our departure point. I like Thomas H. Patten's description.

> Planning is a process for thinking ahead, a method of anticipating difficulties and seeking, through reasoned action based upon foreknowledge, to guide the course of events towards desired goals. By this means, planning approaches the future with the aid of systematic analysis in order to minimize surprise and uncertainty and to eliminate mistakes and wastes.[1]

Thayne Robson, while noting the process varies, finds that:

> All planning programs have at least four things in common: (1) a predetermination of the goals and objectives to be sought, (2) the marshalling of the data, information, and opinions necessary to formulate alternative courses of action or plans designed to achieve the goal, (3) some agreed-upon analysis or measurement of effectiveness to be used to select from among the alternatives, and (4) some provision for monitoring, evaluating and subsequently amending the plan on the basis of better information and knowledge of the outcome.[2]

All that needs to be added is the prefix "manpower" and we have planning applied to manpower questions. Now our problems begin in earnest.

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[1] Thomas H. Patten, Jr., Manpower Planning and the Development of Human Resources, (New York: John Wiley & Sons, Inc., 1971), pp. 13-14.

[2] R. Thayne Robson, "Principals and Problems of State and Local Manpower Planning," Proceedings of National Conference on State and Local Manpower Planning, (Human Resources Institute, University of Utah), p. 9.

We must first specify our goals and objectives. This is by far the hardest task. Value choices are up front here, but often they get submerged by an overlay of the political process in which interests collide and compromise. Perhaps even more confusing to the planner is the fact that the belief structure is so intertwined with arguments over feasibility or methods that it becomes unrecognizable. Without any pretense at trying to be exhaustive, we probably all know some of the familiar ones in the manpower field. I pose them here as questions.

(1) Should the goal be to serve as many people as possible?

(2) Should the more disadvantaged, or the veterans, or the welfare recipient be given priority?

(3) Should the goal be to furnish to the employer, on demand, a supply of screened, trained, and otherwise suitable workers?

(4) Should the goal be to eliminate low-paying industries or occupations?

(5) Should the goal be to reorganize work and the structure of markets so as to increase job security?

I understand another post hoc question has been added in Washington; namely, the reduction of unemployment with a resultant prejudging of the effort as a failure.

All this says is that we are seldom clear on our objectives at any one point in time and, moreover, there is a likelihood the objectives will shift over time. Hence it is understandable when we conclude that nowhere have we done manpower planning as the textbook says. We have substituted a series of categorical programs for this first step. Local planning becomes a shambles as a result, since the objective of the local plan is to button down the federal dollar.

There are those who argue, with ample justification, that even this is mostly an exercise in futility. Since the federal government retains control over distribution, they can and do reprogram with little notice. Because of this process, one Regional Manpower Administrator allegedly refuses to allocate any money for staff training for manpower planning on the grounds the system does not permit planning.

Perhaps I paint too bleak a picture, and I should modify with the comment that, here and there, manpower planning efforts do affect events. In San Francisco I serve as a member of the Mayor's Manpower Commission. The staff are nearing completion of an analysis of the local NYC program. From comparisons of the level of program efforts against universe of needs, with adjustments for independent assessment of the differential achievements of alternative programs, they have concluded

some of the resources now devoted to the summer NYC program should be redirected to the in-school program. The Regional Manpower Administrator has agreed to listen to this recommendation but not to be bound by it. Even if the shift is agreed to, the staff has a sneaking hunch Senator Javitts, as he has so often in the past, may mount a last minute effort for a special summer NYC program and we would be back where we started.

Meanwhile, I should add, the Regional Manpower Administrator has been busy cancelling institutional training programs without checking the views of local manpower planners.

I have taken the time to make these brief comments on the current state of manpower planning so as to sound a note of caution before we embark on new worlds. If we were to turn the question around and ask what we have learned from current manpower planning that could be applied with profit in a new area such as the Rural Development Act provides, the answer would have to be, not much. There are a few lessons, none startling, we can draw and I'll mention these as we go along.

The place to begin is with the new Act. Yet overall I must admit to some perplexity. Offhand, no real case seems to have been made, if development is the objective, for not having extended the role of HUD, rather than dividing the country geographically between two agencies. History, politics, and the on-going life of institutions undoubtedly dictated otherwise. But by so doing, the departure gives rise both to feelings of optimism and alarm in almost equal proportions.

The first thing I looked for was the objectives. What is the Act all about? Formally it appears, to quote Senator Miller, the purpose was to "reverse the trend of the flow of the population from the rural areas into the cities and urban areas where congestion, and other problems, are getting worse as a result of our failure in the Congress to do something about this problem a long time ago."[3]

At various places Senator Herman E. Talmadge, Chairman of the Senate Committee on Agriculture and Forestry, echoes this theme when he speaks of a "rural renaissance," of the need for new jobs and "rural industrialization." I confess, as a former farmer and a displaced rural resident not yet used to urban life, that my value predilections incline

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[3] *Committee on Agriculture and Forestry, United States Senate, The Rural Development Act of 1972, (Washington, D.C.: U.S. Government Printing Office, October 3, 1972), p. 61.*

me towards applauding this goal. It is also consistent with the counter pressure in urban areas. For example, the Association of Bay Area Governments in my home area of San Francisco, is trying to stop or at least slow down that population growth in the urban complex. At bottom we are talking about a new distribution of population on our land.

The next question, of course, is how. Here there seems to be a key missing element which I will call a sense of strategy. Perhaps, as one thoroughly outside the agricultural establishment, my mind's eye is not attuned to the subtleties of the specific legislative changes and, thus, the hidden meanings escape--there are afterall, 28 major authorities involved. How these fit existing practices, or may shift them, is still to be discovered. All the various grants and loans may add up to a cohesive mosaic. It is also possible there is a collection of good ideas, borrowed from HUD or elsewhere, spread like a thin layer before so many claimants as to predictably disappear without noticeable trace. This impression is heightened by the overlay of possibly faddish elements such as the frequent reference to pollution and other environmental concerns.

Finally I note from the background material that the bill itself was the result of congressional rather than executive leadership. Senator Talmadge seemed to be confirming this when he closed his report with these remarks:

> However, the enactment of this legislation is only a beginning. The executive branch must do an aggressive, dedicated job of implementing and administering the law if the intent of Congress is to be honored.[4]

This kind of beginning has built into it a number of obstacles at the start. There are three I'm certain will be encountered. Congressional initiative is precisely that and no more. A political body tends not to follow through. Key figures come and go. There is very little political mileage to be gained from oversight activity. New years bring new issues with accompanying glamour. A reluctant bureaucracy can count on these elements so that a strategy of delay will ultimately prevail. I've seen this confirmed in a study now being completed of the 1968 California Legislative effort to remodel the Employment Service. What this does mean, and it's a positive value, is that the legislative body in this situation will tend to be supportive by approving

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[4] *Ibid.*, p. 60.

extensions of authority and resources, provided the executive asks.

Second, if the executive is not the initiator, it is likely the bureaucracy and its supportive infrastructure of political supporters and allies will not support the new directions. New skills, new staff, and ultimately a new bureaucracy may be required. Many of us can cite a lengthy history of the difficulties of doing this from the vantage point of 10 years experience in the manpower field.

The shift from a nearly exclusive focus on commodities and commercial agriculture is probably as sharp a break with tradition as the manpower development, and particularly its later manifestations of priority for the disadvantaged, was for the Department of Labor. In the latter case, the Manpower Administration grew rapidly and soon came to overshadow older activities. This ensured a more than adequate attention to its concerns and needs at the federal level. I assume this to be unlikely in the far larger Department of Agriculture.

A more important difference may emerge at the field level. I say this because I don't know the Department of Agriculture field machinery that well. Clearly in the Labor case the chosen instrument from the start was the Employment Service. It avidly sought new authorities and funds and, on the whole, probably tried valiantly to change. But this is not always easy or even possible given the complexity of an on-going institution. In retrospect, it is by no means certain the new functions were compatible with the old in the case of the Employment Service. I am now convinced that none of us recognized the importance of structure and management style in this regard. A management style designed to fit a simple, routinized operation couldn't cope with the variety and complexity of the tasks of treating the human being as a whole. I've a nagging suspicion that we turned to local manpower planning as part of our search to get at a behavior complex we knew was wrong but did not understand.

The lesson from this is obvious. It is far easier to start from scratch and build a new field organization. If this is not possible or acceptable, the entire spectrum of the chosen instrument including job descriptions, reporting and control systems, and ultimately management concepts must be analyzed for compatibility.

Let me try now to be more specific about manpower planning. One of the first issues you will confront is how to tie together all those agencies owning some piece of the action. The Department of Labor's answer was the CAMPS system. I notice from the program this will be

the topic for the morning session tomorrow and so I'll limit my remarks. For the system to work, two elements are essential. There has to be a lead agency and a separate staff. In practice, I suspect, the lead agency so far has been the Employment Service. The separate staff, to my mind, simply translates into genuine independent work rather than a cut and paste job.

With the new authority of the Act I would suggest that the Department of Agriculture, already a party to the CAMPS system, seek the support of the other signatories to become the lead agency in some areas and perhaps ultimately in all areas covered by the Act. I have one special reason for urging this which I'll mention and then drop.

The Department of Labor has been trying to break from its heritage of considering only farm labor services as appropriate for rural areas. It views its emerging role as that of a comprehensive Manpower Agency for rural areas. The resources for that job are not available and I'm not sure it should be pressing for these at this time. It could instead develop an advocacy role for those sectors of the rural population that might be ignored by Agriculture given its identification with former interests. I want one of these two agencies to break from history. I think Labor could more easily do so, and I simply suggest this will be facilitated if they play the junior partner role.

My second suggestion is that we seek to avoid those features of a categorical approach now so universally condemned in the manpower field. As I read the new Act, the elements appear to bear a passing resemblance to a categorical approach. The comments on the new rural housing programs of the Act simply confirm this view.[5]

Categorical programs seem to require uniformity of practice. Hence, guidelines and management by the book follow. Yet I'm reminded that some of the most exciting political science theory I was introduced to in graduate school came from the Farm Security Administration and the Soil Conservation Service of the Department of Agriculture from the 1930s and 40s. They pioneered in the application of democratic, that is, participative management in the solving of new problems. If that capacity for innovation is still alive in the Department, it might be possible they will search for alternatives to the CAMPS system.

I would urge that the alternatives provide maximum room for

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[5] *Ibid.*, p. 55.

deliberately different patterns to emerge and a corresponding toleration for local flexibility. This is one clear lesson from manpower planning experience where standardization and a cookbook approach has been the order of the day. It would also serve to avoid the other extreme of turning to outsiders who package an expensive plan that goes on the shelf and is seldom used.

Third, the manpower planners have not resolved the dilemma of making the planning area coterminous with both economic and political realities. Here I think the Act provides some promising new departures. Existing area-wide general purpose planning districts are strengthened by being given a review function and by financial support to develop general purpose rural development plans. If this means what I think it does, the planning and operations will be related to present natural economic regions rather than historically based governmental areas. Since the new Act undoubtedly begins the process of institution building, we avoid future problems by basing these on present economic boundaries.

By working through mayors and governors, manpower planning has the special feature of reaching different constituencies and bypassing the entrenched bureaucracy. However, this feature of manpower planning can be ignored in dealing with the Act since it has no counterpart.

The fourth lesson of manpower planning may be only partly appropriate here. We found that local governmental institutions both at the city and state level needed strengthening. Yet while the need for technical assistance and staff training was noted in report after report, little direct action followed. Possibly my plan to tap the existing resources of higher education through the land grant system as the lead agency may prove itself in this area during the three-year pilot period.[6]

Five, a departure point for any planning is needed. I read the Act as seeming to place the emphasis on economic development and this is the best starting point in my view. Manpower consequences in terms of the volume and type of jobs follow. Much of the Labor Department's experience of the recent past will be relevant to these issues.

But if this is slow in getting underway, I can still see some useful applications of recent Labor experience since this started primarily

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[6] *Ibid.*, pp. 52-53.

with the disadvantaged and the search for productive use of these fellow citizens. Any number of specifics come to mind as illustrations of what might occur to energetic rural manpower planners. For example:

(1) We could take a leaf from Model Cities and ask that priority for the jobs that go with building and operating those new sewage, water, and pollution control systems go as much as possible to residents of the area served.

(2) Some of these projects, certainly the simpler ones, might be like those now undertaken by Operation Mainstream. There might be a fruitful marriage here that could speed development.

(3) On-the-job training might be adopted as a mechanism for increasing the use of local residents as operatives in the new public and private enterprises.

(4) PEP could be applied as it is in some urban areas to extend the planning staff of the district agencies.

All this and more is indicative of how Agriculture can tap both the experience and (modestly) the resources of the Labor Department.

Six, there is one more area I want to develop a bit further. Earlier I had said I sensed a lack of strategy in the Act and I have also commended the focus on rural development planning. Let me now try to resolve any seeming incompatibility here. My first unease stemmed from the failure to indicate awareness, if not relevance, of the heralded new town movement of HUD or EDA's growth center concept. Both seem to offer a rational way of moving towards modest urbanization on a disbursed basis.

I can appreciate the political wisdom of providing something for everyone. And yet, I would want to raise the question whether it might not be possible to do both. Some features of the Act suggest this. I'm referring to the priority of rural areas for new government institutions, for example.

This suggests to me a possible strategy to follow might proceed along these lines. Begin by recognizing that not everything can be done at once. Also recognize that, while all can qualify, not many will initially have the expertise needed to tap into the new program. Each state could then be asked to pick an area or two as growth points. Certain judgments would need to be reflected in these choices. Among these as starters I would list a promising economic development potential, a satisfactory existing government infrastructure, and a compatible political environment. Some of the authorities in the Act could then be used to get a development plan underway. Enlisting state aid might aid in supplementing a new federal location with complimentary

state offices together with selected federal and state contractors. The tradition of largely government cities is a respectable one already. Olympia, Washington; Sacramento, California; Washington, D.C.; and university towns serve as examples.

Given my experience and academic attachment it is inevitable that I turn to the Congressional Report language as potentially the most important feature of the Act in terms of its implications for manpower planning. The Department of Labor with its Manpower Report, or earlier the Council of Economic Advisors with its Report, provide illustrious examples of how, in the right hands, such reports can be used to assemble current knowledge, assess program needs and accomplishments, and stimulate intelligent discussion. This task can be done best at the federal level, since this is the place where the marriage of ideas and politics ultimately takes place. Those who control these reports then have a unique opportunity to influence the future. This is where I began, but to make the point again, I want to read the language of the Act:

> In carrying out this responsibility the Secretary of Agriculture shall establish employment, income, population, housing, and quality of community services and facilities goals for rural development and report annually prior to September 1 to Congress on progress in attaining such goals. The Secretary is authorized to initiate or expand research and development efforts related to solution of problems of rural water supply, rural sewage and solid waste management, rural housing, and rural industrialization.[7]

And then ask one final question. Does any other agency have a congressionally mandated responsibility for setting employment and income goals and then reporting progress on same? If this is not manpower planning, then I don't recognize the genre.

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[7] *Ibid.*, p. 21.

COMMENTS ON PAPERS ON MANPOWER IMPLICATIONS OF THE RURAL DEVELOPMENT ACT

Niles M. Hansen
University of Texas

The speakers who have preceded me have each given us important and constructive insights into the manpower implications of the Rural Development Act of 1972. From my perspective as a regional economist, Professor Tweeten's paper is particularly outstanding because it raises the key issues posed by the Act with respect to the spatial distribution of population and economic activity, and it effectively summarizes the state of the art concerning these issues.

It is especially noteworthy that the rhetoric surrounding the Act does not embody any real strategy for nonmetropolitan development. The Act is essentially an extension of the commitment made by Congress in Title IX of the Agricultural Act of 1970 to "a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas." Thus, the Secretary of Agriculture maintains that "the result should improve rural America, bolster agriculture and help relieve urban congestion by reducing migration from farms to city and by encouraging a more balanced national growth."[1]

Although the notion of spatially "balanced growth" is in vogue with rural development advocates, its precise meaning is not specified in concrete terms. Should equality of per capita income, public overhead capital, education and health, or economic activity (however defined) be a national goal? Should the growth of lagging regions be promoted by moving resources to them and by creating new resources within their boundaries, or should more attention be given to comprehensive relocation assistance programs? What effects would the induced location of economic activity in a given region have on other regions? How might conflicts between attempts to maximize regional and national welfare be resolved or at least ameliorated? Until we are able to answer questions of this nature, it is not operationally feasible to appeal to "balanced growth."

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[1] *Quoted in National Area Development Institute, Area Development Interchange, Vol. 2, No. 18, (September 15, 1972), p. 1.*

The idea that the cities can be bribed to support rural development on the ground that their congestion problems will thereby be relieved is not convincing. William Alonso points out that metropolitan "growth currently consists of 4/5ths natural increase, 3/20ths migration which has crossed national borders, and only 1/20th net migration from non-metropolitan areas. Even the reversal of migratory flows would not have a large numerical impact."[2] I have heard more recent estimates, varying from 8 percent to 12 percent, of the amount of metropolitan growth attributable to net rural-urban migration. Nevertheless, while outmigration does have important consequences for many rural areas, it is not the major source of metropolitan ills. (Perhaps the biggest problem of the major metropolitan areas is one of internal restructuring to give central city minorities greater access to residential and employment opportunities in the suburbs.)

The issue of population decline appears to be central to many arguments for rural development. However, it is difficult to compare the situation in the Plains, the Upper Great Lakes, northern New England and other relatively prosperous rural areas with heavy outmigration to the situation in such areas as central Appalachia, south Texas, the southern Atlantic Coastal Plains, and the Mississippi Delta, where manpower and human resource development needs are especially acute. In the Plains, for example, outmigrants have generally been well prepared for economic opportunities in other areas. Of course the rural population left behind has a relatively high proportion of older people and it often is difficult to maintain essential services for a widely dispersed populace. But agriculture is viable and there is little poverty. In addition to savings and farm income there is considerable income from farm subsidies and Social Security benefits. There also are viable small towns, though their role is one of service centers for rural hinterlands rather than employment "growth centers" capable of halting or even reversing outmigration. Economic theory maintains that outmigration should raise the marginal product of the remaining labor force, other things being equal. The evidence indicates that population adjustments in the Plains have, in fact,

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[2] *William Alonso, "The Question of City Size and National Policy," Discussion Paper No. 125, (Berkeley, California: Center for Planning and Development Research, Institute of Urban and Regional Development, University of California, June, 1970), p. 6.*

reflected not only successful adaptations for outmigrants but also for the people left behind. The greatest acceleration of nonmetropolitan income in the nation in the past decade occurred in the Plains, rising from an annual rate of change of 2.9 percent in the 1950s to 6.2 percent in the 1960s.[3]

Whatever the merits of special development assistance for rural areas, one also may question why the Secretary of Agriculture should be made, in effect, the President's rural development director. In 1970, not one rural resident in five was in the farm population, and about half the total income of the farm population was derived from nonfarm sources.[4] To be sure, the Department of Agriculture has tended to take a broader view of its responsibilities in recent years, but if rural development is really to benefit the poor and disadvantaged, a great deal more initiative will be required than has heretofore been the case.

Finally, rural development programs must recognize that urbanization is a worldwide phenomenon. Economic activities are attracted to cities because of the economies of agglomeration associated with concentration, and people are drawn to cities because they offer improved incomes and a diversity of career and life-style options. Nevertheless, the centripetal forces at work in the urbanization process are encountering several countervailing forces. On the negative side there is widespread feeling that the quality of living in big cities is deteriorating. On the positive side two centrifugal tendencies favor nonmetropolitan areas. They are the extension of "urban fields," that is, interdependent rural-urban living spaces extending up to a hundred miles from metropolitan cores; and the decentralization of manufacturing from metropolitan to nonmetropolitan areas, a phenomenon particularly apparent in the rural South (with the exception of counties having a high proportion of Blacks). Although many rural areas are benefiting from these spontaneous developments, those left out may indeed require assistance from public policies. Hopefully, these policies would be more imaginative than past efforts which tended to ignore the

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[3] *Economic Development Division, Economic Research Service, U.S. Department of Agriculture, The Economic and Social Condition of Rural America in the 1970's, Part I, (Washington, D.C.: U.S. Government Printing Office, 1971), p. 33.*

[4] *Ibid., pp. 2-4, 34.*

people of lagging areas in favor of inefficient and largely ineffective place-oriented projects of the water and sewer and related infrastructure types. Many problems of regional development might be dealt with more rationally if they were treated more in terms of human resource development and labor mobility. It is not clear that the Rural Development Act of 1972 responds adequately to these needs. Much more remains to be done in the integration of place-oriented regional economics, people-oriented labor economics, and other fields related to manpower programs in the broadest sense. Moreover, in this effort to improve spatial resource allocation it is implied that we are—in some sense—trying to increase the aggregate level of welfare. This, in turn, implies that we know something about the location preferences of people. In fact, we are rather ignorant of the preferences we presumably are trying to satisfy.

DISCUSSION OF SESSION III

Maurice Voland

Title VI should have the most far reaching implications. The first five titles are extensions of existing authorities primarily, with some additional funding and loan authority attached to them. The specific element in Title VI that excites me is the enticement of new federal facilities, with the potential for generating employment and the potential for inducing reverse migration in certain people possessing certain kinds of skills. This one particular element perhaps holds the largest potential for long-range positive implications for rural areas. Relatively modest requests in terms of new grant authorities could well be taken care of in other ways, primarily for pollution control and abatement. The prime beneficiaries of pollution control and abatement would be the people who reside in the metropolitan areas who utilize the water resources that would come to them. Perhaps this could be funded by placing special taxes on people who live in urban areas and use all these rural resources.

Audience Member

Given the context of what we have heard, what are some suggestions for more manpower input into the Rural Development Act, assuming it's going to be funded?

Curtis Aller

I got nervous the other day about whether I understood this Act and what the Department of Labor could do. So I called top officials in the Department of Labor, and asked them their thoughts on the Department of Labor's role in terms of the Act. As far as I could tell, they were only vaguely aware of the Act and had given no real thought to it. Despite all the talk of coordination and the plans for various people to get together and set up a formal structure, nothing really gets done unless there is an active, energetic group that seizes the initiative. The Department of Agriculture should begin the process of setting employment goals and all that and then call in the Department of Labor people in a supportive role. That could be done quite readily. Coming down to the field, I know that the Department of Agriculture is a signatory to the CAMPS system. I assume there are elements participating in those areas where it's appropriate. Clearly most of the CAMPS systems and operations that I know of follow guidelines and don't get much beyond that. Someone should be able to slip that new

Act into the process somewhere and begin to ask the following questions: How would this change your estimate of universal needs? In what ways could the authority be used to generate jobs? You could begin to start some brush fires which might be useful along the way. I always view these as simply opportunities to identify those in the bureaucracy who are willing to break out of current finance. We have to find a few people with their heads above the water so when we come in with a new structure, there will be some people identified who could be the infrastructure for the new system.

Luther Tweeten

I'd like to play the role of the devil's advocate. In reading over a good deal of manpower literature I've found often manpower policies are geared not to preparing people for favorable employment opportunities outside of the area where the man is trained, but rather for training a reservoir of people who will then constitute an attraction to new industry. I think that if we get too carried away with the Rural Development Act of 1972 (I have tried to show that the manpower implications are not all that great in terms of the number of jobs created) we could gear up for a lot of training for jobs that are never going to materialize. We shouldn't lose sight of the fact that we ought to be training these people for good jobs elsewhere, and not for hopeful jobs that might turn up as a result of the Agricultural Development Act of '72.

Ray Marshall

I have a comment about that. The expenditure of a relatively small amount of money could generate many more jobs than you could get by simply dividing the total amount by whatever figure you think it would take to create a job. For example, you might create some catalysts. The Federation of Southern Cooperatives, which deals basically with very poor people, has been fairly successful with a small amount of money. Their budget hasn't been very large, and yet they're generating economic activities that provide income. Your expenditure would be whatever you could get from that kind of catalytic process, or from a manpower developer or job developer. We have some experiments in Texas now such as a program called the Four Winds Project in north Texas. What the Texas Industrial Commission and Texas Office of Economic Opportunity did was to appoint one person to go to north Texas. With that one job they generated a fair number of additional jobs in that particular area. Now that might not do much for the whole country. As in the case of the manpower program you're not increasing the total,

you're increasing the distribution. It might mean a whole lot more for people to have jobs in that particular area than it might any other place. Whatever you say ought to be done to reflect your value system. One of the main things that we need to do is to stimulate groups in rural areas who can do some things, and who will have an impact on the problems of the disadvantaged. Those groups can be identified. If I were the Secretary of Agriculture, in trying to implement this Act, I'd give heavy weight to that. I also would train to generate manpower capability. I would go to the Department of Labor to see if we couldn't increase the amount of money that went into manpower programs. One thing I'd do would be to quadruple or even multiply by a factor of 10 the Operation Mainstream program. In this state, we could effectively put to work enough people to absorb the total national expenditure for Operation Mainstream. It's not so terribly expensive and it's a direct job-generating program. It's concentrated where the basic problems in rural areas really are, and that's not in building fire houses. I don't know what kind of problem they've got there with fires; it must be a terrible one, from reading the Act. But I would concentrate on the manpower things: upgrading skills; providing job information to people; trying to generate organizations; and trying to sustain and support organizations which have already tried to represent the rural poor.

Audience Member

Talking about fire houses. Rural communities have serious problems in maintaining local governments, and our problems exceed the levels and capabilities of those at the county level. There has been much discussion of the location of general facilities in rural areas. We have to take a look at basic things first. For local people and staff people, that's absolutely the first order of things. Fire houses are exemplary and I encourage you to give it some serious thought.

Ray Marshall

Well, I figured that there was something about that that I didn't understand.

Curtis Aller

I want to add one more comment. You've talked about the dangers of getting out of phase. One of the elements that gets out of phase is multi-purpose general planning districts which play a key role in both the approval and development of rural development planning. There ought to be some field work underway with those agencies, trying to alert them to the new roles that they're going to have to take on. And more

particularly, to sensitize them to the very real concerns of a lot of your community-based groups.

Collette Moser

Two questions. The first one is, has anyone considered the variety of skills that would be necessary to implement some of these various sections, particularly the first four or five sections of the Act? And secondly, do rural areas have that kind of capability or that kind of skill mixture, or is this going to represent a shortage in certain areas? If so, in what?

Ray Marshall

I tried to think through the manpower implications of the Act. I went through it and made a list of the kinds of skills that apparently are called for in the Act. With a little effort, we can get somebody to do many of the physical things they're talking about. The Act also calls for a fair amount of planning and research-type operations; the disadvantaged aren't going to get many of those jobs. There are ways that you could improve the organizations representing the disadvantaged if we would let them do some of the planning and research functions. There is undoubtedly an opportunity to generate business enterprises of various kinds by doing those kinds of things. As for rural people, if they're going to build a lot of fire houses, they could get some training in the process as Dan Sturt has suggested. If you look at the rural skills, at the experience of such things as Green Thumb and the regionally administered Operation Mainstream type programs, they have been successful without a great deal of training or additional effort. If you've been in Agriculture, particularly if you have been displaced, you can make a list of rural skills, but you don't know anything about what kind of numbers to multiply the list by. I went through the exercise of making a list, but I don't know about some of them. For example, I don't know what kinds of skills are required to build a sewage disposal operation. But I know about the ditch digging part. I assume they are going to bring in some machines, but I don't know what else you'd do to accomplish that.

Luther Tweeten

There are 367 million dollars of new grant authorities. A lot of the things that are being done under the bill are already going on; the water and sewer, the pollution, we can just go right down the list. The only thing I know of in FHA that will call for some new expertise is loans to industries. Other agencies have been doing that so supposedly there

is some expertise around the country already. But I suspect it might take some additional personnel to do that kind of job.

Audience Member

I'm commenting in answer to Niles Hansen's statement about the Department of Agriculture. I'm a little surprised by what he said. People can tell you how much they spend for food. One of the difficulties is, we're consumers. The Food and Nutrition Program raised program aid. One of the reasons the Congress could get the President to sign the bill was that over the years it has been stated that the Department of Agriculture could be a leader in this particular area and it has been. They have worked with consumers as well as farmers. Other programs such as manpower programs and the Employment Service have not reached rural areas.

Ray Marshall

Rural areas have not had equity of access to manpower and other human resources. There are very few programs across the board, except some educational programs where rural areas get equity of access, however you want to define that. Dan Sturt and his group have done some calculations that show this inequality.

Niles Hansen

I don't think we should denigrate the Department of Agriculture, but I would like to add one thing. From my readings of the hearings on this legislation, the major farm organizations all opposed this legislation. I guess they must have had in mind what labor economists call wage fund theory. They assumed if this money were used to help other rural people to develop sites and that sort of thing, somehow that money would come out of funds that would have gone directly into the farmer's pocket in subsidies of one kind or another. This wasn't the motive, yet it is the only one I can pick up. Every major farmers' organization opposed this legislation saying, the hell with building all those facilities around the countryside, just give us the money.

Louis Levine

I wonder whether anybody bothered to compare the language of the county Public Works Act (which was successive to the ARA Act, and had economic development for areas and broad regions) and the Rural Development Act just to see what their concepts of goals and means would be. I see planning given no significance in rural development. In the EDA approach, or in the Public Works Act, it's the beginning point; the goals are set forth very clearly. I'm not passing judgement on whether they're

achievable or not. The two ought to be looked at side by side. If you do, I think you would conclude the Rural Development Act is really not concerned with development, except for that one section which is concerned with financing for bringing industry into the areas. All the rest of it has already been said. There are existing authorities in varying degrees in pollution or water, sewerage, and so on. The Manpower Act definitely is not recognized because it would have been diverting, and would have been a destroying element in getting the legislation through.

Ray Marshall

Let me start by saying, I have learned two things about you. One, you don't ask a question unless you know the answer. And the other one is that you call this political process. How do you respond to this? The reason that the USDA got the responsibility for the legislation was because the agricultural establishment had the political power to do it. I didn't know that the major farm organizations opposed it. The assumption that I made is this was turfism on their part, and they wanted to get that kind of control. Do you think that's wrong? You asked a question a while ago about priorities. Now what would you do?

Louis Levine

I was asking a question, Ray, when I said, did anybody put these side by side and look at these because that's hard to do.

Niles Hansen

I got so discouraged that I figured that wouldn't lead to any productive discussion today.

Louis Levine

This is in order because one of the problems that we're confronted with is the term "rural development." Is this really a misleading term? Development people normally talk about development, and ask such questions as: How do you bring about economic growth, stability, and income levels? How do human beings solve these problems? That was not in there.

Curtis Aller

One other question, Lou. I think that the framers of the Act avoided one of the errors of EDA. The area they avoided was the one you started with as a virtue, in-depth economic planning. Under EDA they began very sophisticated and often irrelevant planning, spent a lot of money for consultant firms of one sort or another, but they had no reality in terms of where the areas of people and institutions were. So that goes nowhere. And if you notice, I was careful not to define planning

on the manpower side quite that way. They started with the notion of concentrated limited resources for manageable and achievable areas. If I understand the history, they were forced to go in another direction. In the end, I gather they dissipated in essentially small projects in large numbers of areas so that it had no noticeable impact whatsoever. And the Rural Development Act, I think, is built upon that latter principle, and hence the possible long-run experience is not too promising.

Louis Levine

Ray asked the question, what about priorities? I'd like to raise that question too because Ray, you yourself, indicated one of them. Is it possible to get a maximum dollar output for small investment if you put it in the right field? Planning should be local and it should be tied very closely by local people to local situations. Therefore, what I would like to see coming out of rural development would be to get some understanding of how this holds together, identify what the problem needs are, and utilize many resources outside of the Rural Development Act. There are other agencies and other programs not being taxed today, but they ought to be taxed for this. And that would be the kind of planning you need, a practical grass roots approach to rural development.

Luther Tweeten

The Extension Service has been doing a good bit of work along this line. They have been trying to improve the community decision process; they have been trying to help the community decide what's good for it. I think a lot of us in our kind of role have misconceptions about what rural communities are trying to do. When I was in graduate school, they told me that there were two ways to develop: one was creating jobs, the other was to move people out. I was told that development meant increasing income and jobs. If you look at most of our legislation, it doesn't do any of these things. We held a short course for rural community development specialists at Oklahoma State University, and went into a lot of high-powered stuff. We found out that these people weren't very interested. All they wanted to know about was solid waste disposal and the real water systems. Many of these agricultural acts, the Rural Development Act of '72, and a lot of federal legislation and funds in general deal with community improvement. They don't create more jobs; that's as far as they go. They're not really what we would term economic development.

Curtis Aller

Luther, an advantage of no longer being attached to administration and

getting back to the grass roots is, I'm involved in the Mayors Manpower Planning Commission and more recently have become a member of Area 5, Vocational Educational Planning Commission for the State of California. The cost comparison in the contrast and the floundering that occurs in both of these legislative agreements would be instructive for you. We tend to over-abstract and over-conceptualize. We end up giving people systems to follow: step one, two, three, four. They haven't worked them out themselves and don't really understand the concepts. It's that kind of thing which is hard to teach or transmit. Yet if we're going to make progress and make planning a tool rather than our master, it's that kind of understanding which you have to build into all of these kinds of planning mechanisms.

Ray Marshall

I recently made a comment at a meeting that I foresaw the day when garbage collectors would make as much or more than professors. And somebody from the audience says, well, don't you think it's appropriate that people make as much for picking it up as others do for dishing it out? I'll thank the panel on behalf of the conference.

SESSION IV

THE ECONOMIC DEVELOPMENT ADMINISTRATION'S EXPERIENCE WITH MANPOWER PLANNING AND ECONOMIC DEVELOPMENT IN RURAL AREAS

THE ECONOMIC DEVELOPMENT ADMINISTRATION'S EXPERIENCE WITH ECONOMIC DEVELOPMENT AND MANPOWER PLANNING IN RURAL AREAS

Gregg Chappell
Economic Development Administration - Southwest Region

Continuing prosperity and growth in the nation's economy have not been achieved in all areas. There are still communities, counties, Indian reservations and other areas which lag behind those rapidly accelerating their growth and development. These pockets of economic distress possess some or many of the well-known characteristics of economic instability and suffer from high unemployment, outmigration, low incomes, and declining per capita employment. Causes can be traced to technological change, depleted natural resources, changing tastes, changing demand, worn-out soil, mobility, and other factors which may or may not appear obvious.

To respond to these problems the Area Redevelopment Administration and now the Economic Development Administration, EDA, were created to assist in proving that economic vitality can be restored to distressed areas. The Public Works and Economic Development Act of 1965 which created EDA was designed to enable areas to help themselves establish stable and diversified local economies through the creation of long-term employment opportunities. The Act provides grants and loans for public works and development facilities to make communities more attractive to businessmen, loans and other assistance for commercial and industrial facilities on attractive terms; funds for planning at local, sub-state district and state levels; and technical assistance, including manpower development, to help areas find solutions to economic problems.

In keeping with the mandate of the Act itself, EDA believes that its job is far broader than that of administering an attractive grant and loan program on a project-by-project basis, since healthy local economies cannot be built merely by the expenditure of federal funds. Accordingly, EDA has developed five target goals by which the success of its program may be measured. These are:

(1) To reduce the incidence of substantial and persistent unemployment and underemployment characteristics of certain designated and qualified regions, counties, Indian reservations, and communities to a level commensurate with the levels prevailing in the national economy.

(2) To improve economic development planning, coordinating and implementing capabilities at all levels--federal, state, sub-state district, and local.

(3) To provide a basis for improved coordination of and continuity for federal, state, and local activities relating to regional economic development, and for more efficient utilization of all resources (federal, state, local and private) available for regional and local economic development.

(4) To provide a basis for rapid, effective, and efficient expansion of federal, state, and local expenditures to promote economic development if and when such expansion is determined to be desirable and necessary (e.g., required by changes in the national economy, or because allocation of certain federal funds to states is found to be in the national interest).

(5) To develop alternatives to present patterns of migration of the unemployed and underemployed, now directed to the larger urban areas, by expanding economic opportunities in more suitable locations.

EDA firmly believes that an organized and logical development strategy is essential to a successful attack on the problems of lagging economies. Accordingly, EDA has placed heavy emphasis on the developmental process and strong sub-state multi-county organizations--economic development districts.

The Developmental Process

EDA has fostered a developmental process designed to achieve maximum coordination and continuity of effort as well as the efficient utilization of the total resources available for economic development. Certain elements of the process are clearly suggested by the Public Works and Economic Development Act, e.g., local planning and initiative, as evidenced by the agency's requirement of all areas to prepare an overall economic development program (OEDP), and the active partnership at all levels with private enterprise.

The EDA development process is based on the following principles:

(1) *The initiative and the requests for assistance must originate locally.* The developmental process implies change. If that change is unwanted by local communities, the success of the developmental process is immediately defeated. In other words, outside help will be meaningful only when it is welcomed. Accordingly, communities, areas, and districts are required to take the first steps in developing their own programs for economic recovery.

(2) *Full cooperation between the public sector and private enterprise is essential.* The investment of the public sector in the economic recovery of distressed areas will be dissipated without the concerted efforts of businessmen who have been named by the House of Representatives as "vital and necessary partners in the war on geographic economic depressions."

(House Report No. 539, 89th Congress, 1st Session, page 6). The success of the developmental process will ultimately be measured by the amount of increased activities of private enterprise in distressed areas.

(3) *The developmental process requires maximum coordination of all federal, state, and local programs.* Although EDA is the federal agency primarily charged with the task of stimulating area and regional economic development, a great many other agencies and organizations contribute to that process. Recognizing this, EDA has cast its role as that of catalyst, coordinating its effort with those of others, helping them to plan and providing them with material, as well as supplemental and technical assistance.

(4) *An essential element of the developmental process is planning--the identification of specific goals, and the preferred means of achieving those goals.* Effective planning requires an analysis of an area's economy, its strengths, weaknesses, and chief resources. Selected goals should be feasible and realistic in terms of resource capabilities if the area is given federal or state assistance.

In an effort to give priority consideration to the development process, EDA has elected to give maximum available resources to its Economic Development District Program.

Economic Development District

Individual redevelopment areas often lack sufficient resources necessary to provide a solid base for their development. But because economic development in a single area may be strongly influenced by activities in adjacent areas, EDA has been provided a development tool within its planning program: Economic Development Districts.

An Economic Development District is a group of adjacent counties or areas which agree to join together in a common effort to promote economic development. This group may range in size from 3 to 20, and sometimes, more, who have "pooled" their resources to develop an adequate base for their development.

The first step in establishing a district is to form a district organization. In this step, local officials and citizens meet with state and EDA officials to discuss the area's problems and potentials and its possible organization as an Economic Development District. At this stage, agreement must be reached on the proposed district's boundaries. In those cases where the governor of the state has developed a state plan establishing sub-state district boundaries, the boundaries of the proposed district will be aligned accordingly.

Once agreement is reached on the district's boundaries, an interim committee is selected to initiate the ground work of the

district organization. The task of the interim committee is to make arrangements for the district to be legally established--usually as a public agency, sometimes as a nonprofit corporation. The interim committee is also responsible for drafting a set of bylaws which will outline the district's eligibility for participation in the EDA program, the method of sharing operating expenses, the terms of the board of directors, and the election of the members of the executive committee.

Once the organization is legally established, the first formal organization meeting is held. The purpose of this meeting is to approve the bylaws, to elect officers of the board of directors, to select members as provided for in the bylaws, and to make plans for hiring a professional planning staff.

The policy-making body of a district organization is the board of directors. The board is normally composed of individuals representing a broad cross-section of the district's political, economic, and other interests, and is responsible for making all major decisions affecting district activities. Each member government is expected to have representation on the board, as are other community interests including agriculture, business, labor, and minority and low-income groups.

An important aspect of the district structure is that all the financial and staff resources of the district remain under the control of the board of directors. This insures that control over the district's activities remains in local hands.

An executive committee, composed of several members of the board of directors and elected from the board, conducts the routine business of the organization between board meetings. The executive committees normally meet at least monthly, usually more often, while the overall board meets less frequently. Sub-committees composed of experts in various fields, such as agriculture, business, and education, serve as technical advisors to the directors of the board. Advisory committees serve the purpose of initiating development ideas and providing the board with a channel of communications with the various committees and groups. The planning staff carried out the policies established by the directors. The staff consists of a number of professional and support persons with a variety of backgrounds. The executive director is the principal staff member.

An Earlier Economic Development District

Let's take a look at one of the earlier Economic Development Districts. This is one of the districts in the southwest; yet I'm sure it may be almost identical in structure and problems with others.

This district encompasses some six counties located in an area considered to be generally too rough to be arable so that only parts of the total land area are in farms. It is a rural area with five of its six counties having lost population during the census period. The district can be described as underdeveloped with severe economic problems, such as underutilization of resources, limited job opportunities, lack of a skilled labor force base, lack of adequate transportation facilities, lack of private and public development capital, and lack of industrial diversification.

The following facts underscore the above major problems. For example, only 49 percent of the district's total population participates in the labor force. Its unemployment level is almost 10 percent. Median family income is low, and over 40 percent of the families have incomes about 50 percent below the national average. Education levels are higher than the state level, yet lower than the national level. Economic growth is occurring, but not substantially. Historically, lack of coordination has hampered development efforts.

An economic analysis of the district revealed the population was characterized by severe unemployment and underemployment, and low-income levels. Attempts at alleviating these problems were first discussed at the initial community and county organizational meetings. These meetings resulted in the establishment of district development goals which are summarized as follows: develop and diversify industry, manufacturing, agriculture, and tourism; develop and upgrade all service industries such as transportation, vocational technical training, and industrial facilities; and develop and improve health, education, welfare, and social facilities.

Goals have been formulated by the district organization to serve as guidelines. Within this framework, specific priority projects are selected on the basis of their need in solving specific problems. The district staff performs research and feasibility studies on goals, and assists the board in setting priorities. Shortcomings in implementing programs within some parts of the district have been more a result of lack of resources than of efforts of local officials within those areas. Local leadership in implementation has not been lacking.

Development strategies of this district are continually evaluated, revised, and updated. Priorities today are quite different from those of the original plan in 1967. Yet the district is succeeding, and this area is "on the move" towards an economic turnaround.

Other District Functions

Many may not have heard of Economic Development Districts. Nor have they heard of councils of government, development councils, regional planning commissions, planning and development districts, or sub-state districts. Most of the existing Economic Development District organizations are included as part of an "umbrella" type regional planning and development organization which serves under one board of directors and is responsive to the many program areas and needs of its area. Its program areas quite often include comprehensive health planning, economic development, law enforcement planning, land use planning, areawide water and waste water planning, housing, and involvement in various manpower efforts. Funding sources may include the state, local governments, HUD, EDA, LEAA, HEW, DOL, and the USDA. Typical utilization of staff may see individual staff members working in several program areas at the discretion of the executive director and the board of directors. Planners, economists, engineers, and other technicians lend their expertise to a broad variety of activities.

One of the most valuable tools for coordination, now a responsibility of these districts, is the project review and comment function established by OMB Circular No. A-95. This little-known document authorized the respective governors to identify organizations to review initially applications from some 106 federally-assisted programs administered by 23 different agencies, and to act as a clearinghouse for identification of overlap, duplication, and inconsistency with local planning. Additional programs have been and continue to be added within this review authority. For the first time, local governments are beginning to "get a handle" on projects affecting their areas, and are beginning to have a say in their location and funding. This ability to coordinate development is an invaluable tool to economic development of these areas in which only limited resources are available.

Economic Development Districts in Manpower Development

As mentioned earlier, many Economic Development Districts are involved in manpower programs.

Some 38 Economic Development Districts across the country were selected in June, 1970, to participate in a public service careers program launched by EDA with $5,648,300 received from the U.S. Department of Labor. This PSC Plan B program was designed so that EDA could make grants to districts for administration and training; the districts, in turn, negotiated contracts with local nonfederal public institutions. Examples of the types of institutions were schools, hospitals, and local governments.

The primary goal of the program was to secure the employment and training of disadvantaged residents of the area served by the district. Using the on-going program and efforts of the districts, local institutions were assisted in updating their personnel systems. Finally, assistance was provided to upgrade those staff members in the lowest job categories of institutions who were prevented by institutional, individual, and environmental barriers from moving up to better jobs in the same institutions.

The agreement between EDA and Department of Labor expired April 28, 1972, but during the period from its initiation, some 3,410 enrollees were trained. This was some 68 percent above the Department of Labor requirement for 1,400 entry and 600 upgrade employees. Final costs are not yet available, but it is estimated that, through the locally initiated and controlled efforts of the districts, enrollees were trained for approximately one-half the Department of Labor estimate—$1,500 versus the $3,000 estimate for entry positions; $500 versus the $1,000 estimate for upgrades. In addition, the enrollee dropout rate was very low, approximately 11 percent.

While the Plan B effort administered by EDA has now expired, several districts are proceeding with Plan A efforts and contracting directly with Department of Labor regional manpower administrators.

The involvement of districts in the Emergency Employment Act (EEA) and other similar programs has continued to prove the effectiveness of the districts as low-cost training and coordinating agencies.

EDA and Manpower Development

While the involvement of EDA-funded Economic Development Districts in manpower development has been stated, the importance of linking manpower training to other elements of the EDA program should be discussed.

The tools with which EDA works to relate manpower to economic

development goals and in stimulating economic growth are:

(1) Public works assistance to construct facilities for the training and development of people in relation to the economic growth of an area.

(2) Technical assistance in the analysis of manpower needs and in support of the administrative aspects of various training-related projects.

(3) Direction of the placement of funds made available under the Manpower Development and Training Act, Section 241, which is administered by the Department of Labor.

Project Assistance for Vocational Schools

Applications for EDA public works assistance for the construction or improvement of vocational educational training facilities are considered by EDA only after all other efforts to obtain the required funds have failed. Evidence to this effect must be submitted with the application. Further, EDA's general policy toward vocational schools and skill centers in eligible EDA areas based upon experience states that:

1. EDA does not accept proposals for secondary-level vocational schools since these are primarily the concern of another agency.
2. EDA will consider applications only if:
   a. The facility to be assisted is located in a designated area or is easily accessible to the residents of redevelopment areas.
   b. The proposed project contributes to the economic development program of the area and to the fulfillment of federal and state manpower development plans.
   c. The proposal provides evidence of continuing financial support of administrative staff and program activities.
   d. The proposal provides evidence which designates the unemployed, underemployed, and educationally disadvantaged adults and out-of-school youths of redevelopment areas as the primary targets of the training efforts to provide skilled labor for available jobs.
   e. The proposal defines systematic procedures for recruitment of the target population as trainees and as employees. Designation of a formal permanent staff to perform this function is mandatory.
   f. The proposal includes plans for the establishment of a formal job development and placement staff. These plans must identify procedures for contacting potential employees, placement of suitable trainees in appropriate jobs, and follow-up mechanisms for monitoring recently placed trainees.
   g. The proposal includes a description of the procedures that will be utilized for promoting cooperation with local private industry in a concerted effort to maintain an on-going

supply-demand relationship for a trained labor force. Vocational training must be job-related and availability of jobs is, therefore, of primary importance.

A recent study of eight EDA public works assisted skill centers largely confirms these requirements.

Technical Assistance Related Training Goals

Through EDA's technical assistance program, training monies have been granted to analyze and support the administrative aspects of various training-related projects. These projects, usually urban in nature and directed in large part toward minority training and development, are only mentioned as another tool for manpower development used by EDA. The agency is working closely with the Office of Minority Business Enterprise (OMBE) to continue and expand opportunities in this area.

EDA Activities in the Section 241 Program

The EDA investment program is matched by law with only one of the dozens of programs under MDTA, the Manpower Development and Training Act. Section 241 of this Act mandates a "supplementary" program of training within MDTA exclusively for residents of EDA-designated or distressed areas. With several minor statutory and administrative differences, the Section 241 program operates in the same way as other MDTA programs. Three different forms of training can be supported with federal funds. Under the so-called institutional training program, classroom instruction is conducted in which the unemployed and underemployed are referred by a state employment service to skill training and/or basic education classes designed to prepare them for jobs expected to be available for graduates. The training itself is conducted by a local vocational education agency. A second form of MDTA is called On-The-Job Training--OJT. Employers obtain reimbursement for certain types of costs associated with training unskilled workers through a contract with the Labor Department. A third form of training, coupled training, combines OJT with supplementary institutional-type training.

Fiscal Year 1972 was the first full year in which the Section 241 program operated under the agreements between the Departments of Labor and Health, Education, and Welfare. The agreement, made in December, 1970, essentially restricts the expenditure of Section 241 funds to the support of training for jobs created as a result of EDA investments.

The significance of this agreement lies less in the amount of funds expended than in the comparative assurance of support for EDA programs. It is now relatively certain that residents of designated areas can receive training to prepare them to fill jobs directly created by public works and business assistance loans and grants and, in addition, to those jobs indirectly created by other EDA program entities.

The past year's results have been quite good with $21,002,399 of the total $22 million available being spent in support of EDA programs. The total is less than that available because of an almost total halt in the program during the period when the MDTA Act was scheduled to expire without continuing legislation having been approved. The halt in the funding was due to an interpretation of the statute which required all programs to be completed within 90 days after expiration of the Act. This was later resolved and funding continued, but not until several programs had been denied because of their duration. Once the Act was extended by the Congress, this matter was resolved, and it is expected that the small amount of unexpended funds from fiscal year 1972 will be used this fiscal year--a happy result of two-year funding inherent in the MDTA legislation.

The program was successful during fiscal year 1972, and the basic credit for this lies with the regional manpower development officers in the regional offices and the many economic development representatives and district personnel who spent long hours identifying and working up the various projects. The continuing success of the program has, of course, been the result of excellent and enthusiastic cooperation on the part of Departments of Labor and Health, Education, and Welfare.

In summary, as can be seen, the programs of EDA are as varied as the field of economic development itself. Economic development of a distressed area is not an easy task--nor is it a simple one. Many communities have lagged for a long time. The cure will not come overnight.

To be successful, the EDA program requires cooperation between public and private enterprise. It requires an active partnership among officials at every level of government—local, county, district, state, and federal. Through the use of this cooperation as well as the program elements, EDA hopes to extend the opportunity to deprived areas to share in a prosperous society, and to reach its stated goal of

making our depressed communities better places in which to live, work, and invest.

MANPOWER IMPLICATIONS OF ECONOMIC DEVELOPMENT PROGRAMS FOR RURAL AREAS

Gerald G. Somers
University of Wisconsin

The approach to rural development embodied in the Rural Development Act of 1972 does not differ greatly from earlier U.S. legislation in this field. Hopes for increased employment and income for impoverished residents of rural areas are based primarily on the development of infrastructure and the attraction of new private employment opportunities.

An evaluation of experience under the Area Redevelopment Act, the Public Works Acceleration Act, the Appalachian Regional Development Act, and the Economic Development Act indicates the traditional approach to area development will do little to improve the employment and income of the rural poor. The hardcore unemployed in rural areas are likely to be bypassed unless private industrialization and investments in infrastructure are accompanied by manpower training programs and public service employment.

My own research, as well as the research of others, has demonstrated that, when new high-wage plants are established in depressed areas, they are likely to draw the "best" workers in the local population and in surrounding areas. The chronically unemployed and the disadvantaged in local areas are likely to be bypassed unless their limited skills are augmented by training programs geared to the needs of new employers. More of the chronically unemployed may be absorbed by new low-wage industries in depressed rural areas. However, for the most disadvantaged workers, especially those in higher age brackets, public service employment may be the only means for their return to the labor force and remunerative employment.

The Rural Development Act of 1972 offers some hope for significant departure from the traditional approach because it requires the establishment of goals for employment, income, population, housing, and the quality of community services and facilities. Since progress in attaining these goals must be reported annually, Congress may take the measures needed for real advance in the employment and income of the rural poor.

The Bypassing of the Chronically Unemployed by Private Industry

Two case studies of the location of high-wage plants in rural areas document the disappointing employment results of such plant locations. In a study of the movement of a medium-sized motor vehicle

plant to a smaller community in southeastern Michigan, Blum summarized his major findings as follows:

> While the large number of unemployed workers in the area presented a substantial pool of labor for the plant, this study indicates that they did not constitute the most important source of workers. The larger proportion of unemployed either did not possess the needed skills or may not have met the employer's hiring standards.
>
> A majority of the new employees were workers already employed, who voluntarily left their jobs to accept work in the new plant. While some came from local non-factory jobs in search of higher earnings and job advancement, the most significant number of voluntary transfers were living in the area and had been commuting as much as 50 miles daily to their previous place of work. Thus, the desire to shorten commuting time and distance may be a significant factor in explaining the voluntary transfers, especially of the professional and skilled workers.[1]

These findings are almost identical with those of an earlier study conducted in a depressed coal mining area, Ravenswood, West Virginia, to determine the characteristics of workers hired by the Kaiser Aluminum Company. The firm began operations in this area in 1956. At the time of the study in 1957, there were approximately 1,000 employees, and employment had reached its full complement of 3,500 by 1960. When the plant was established, Ravenswood was a small rural community of 1,175 located on the Ohio River on the Ohio-West Virginia border, in Jackson County. The county had a wholly rural population of 13,900 in 1957. Interviews were conducted with the firm's first 900 employees, and 520 rejected application forms were examined in order to draw a comparison of qualifications for employment. As in Blum's study, the Company was able to choose younger, more highly educated, and more skilled workers among transfers from other jobs and areas than from among the majority of the local unemployed. As additional hiring continued, selection standards were lowered so that more of the unemployed benefited. In time, some were able to find jobs in new service and trade establishments. But the labor market area as a whole remained relatively depressed.

By 1960, the county in which the new plant was located was in a better position than other surrounding counties, but its 1960 unemployment rate of 8.6 percent was still substantially above that of the country as a whole. The population data for 1960 lead to inferences of a substantial inward migration from contiguous counties, which is

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[1] J. Blum, "Sources of Workers for a New Establishment," The Labor Market and Employment Security, 1-2, (May, 1961).

substantiated by the higher rates of residential mobility in this county than in contiguous areas between 1955 and 1960.[2]

The unemployment rate in the Ravenswood area continued to be at levels substantially above the national average throughout the 1960s indicating that, even with the growth of ancillary enterprises, the problems of chronic unemployment in this formerly rural area were not solved by a large private industrial concern.

Private Plant Expansion and Public Works

The importance of public service employment for older unemployed workers in rural areas was highlighted in more recent research which compares the characteristics, employment experience, attitudes, and income of three groups of workers residing in rural redevelopment counties of northern Wisconsin, northern Michigan, and northern Minnesota:

(1) (ARA Sample) workers employed in new or expanded plants which received assistance from the Department of Commerce under the Area Redevelopment Act, now replaced by the Economic Development Act.

(2) (APW Sample) workers employed in Accelerated Public Works projects in connection with forest redevelopment or public construction.

(3) (Comparison Sample) workers drawn from the active and inactive files of the local Employment Service offices in the same communities in which the ARA and APW samples were selected but who had not been employed in either the ARA plants or on the APW projects.

A total of 1,370 interviews were conducted in the three states, utilizing formal survey questionnaire instruments. Cross-tabulations and multivariate regression analyses were utilized to determine the influence on differences in the characteristics and experience of the three sample groups as well as the effects on the communities in which they resided.

Those employed in the new and expanding plants (ARA) enjoyed employment advantages relative to the APW and Comparison Groups from the standpoints of age, education, and previous training. Many moved directly from high school to jobs in the government-aided industrial enterprises.

The relatively young ARA workers substantially improved their employment and income status because of the predominance of nonlabor

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[2] G. G. Somers, *Labor Supply and Mobility in a Newly Industrialized Area*, Bulletin No. 1261, (Washington, D.C.: U.S. Department of Labor, Bureau of Labor Statistics, 1960).

force status, essentially high school education, prior to their ARA employment; however, older ARA employees who had been employed in the declining mining and lumbering industries prior to their ARA employment, experienced a decline in income.

The workers employed on Accelerated Public Works projects were divided into two groups with contrasting backgrounds and experience. Those engaged in forest development and similar public service were relatively older and had suffered chronic unemployment prior to the APW projects. Although their income was maintained through the APW work, the short-term nature of these jobs returned them to a continuation of unemployment when the government projects ended. The relatively skilled workers employed on APW construction projects experienced a much more substantial increase in income and benefited from employment security of much longer duration.

The employment and unemployment histories of the Comparison group do not differ markedly from those who were employed in the ARA plants. However, the ARA group experienced a significantly greater increase in personal income than did the Comparison group. Because of the nature of the age and family composition of the two groups, median family income increased at about the same rate for both.[3]

The need to use programs of public service employment to aid disadvantaged workers in rural areas has recently been emphasized in a policy statement of the National Manpower Policy Task Force:

> The goal of providing concentrated assistance to areas with the most severe employment problems also calls for specially designed programs. The public service needs and the unemployed in rural areas are apparently best served by low-wage, public works jobs requiring outlays for equipment...[4]

Retraining to Meet the Needs of New Plants

The importance of investments in human resources to help solve employment problems in depressed rural areas was stressed by Niles Hansen:

> Yet there is no convincing evidence that central government programs can attract enough industry to the countryside to provide people everywhere with jobs in proximity to their places of residence, even if this were desirable on grounds

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[3] *Gerald G. Somers, Employment Effects of Plant Expansions and Accelerated Public Works in Rural Redevelopment Areas, (Madison, Wisconsin: 1971).*

[4] *Public Employment Policies and Priorities, statement by the National Manpower Policy Task Force, (December, 1972), p. 12.*

> of value rather than efficiency. On the other hand, a good case can be made for federal subsidies for investment in education, health, and training in lagging regions, as well as for relocation subsidies and for information programs to facilitate rational migration...[5]

Our own studies have demonstrated the importance of tying retraining programs to the specific needs of new firms induced to locate in rural areas. In our evaluation of the early ARA retraining programs in West Virginia, there were two instances in which courses were designed to meet the needs of a new industrial facility attracted under the provisions of the Area Redevelopment Act. Since the training specifications were established by the employers who sometimes provided both instructors and equipment for the training program, these courses came close to the arrangements found in on-the-job training. Moreover, because these employers exercised considerable influence over the selection of trainees, the training arrangement established on their behalf approached that under on-the-job training.

It is understandable that the employers interviewed in the two large establishments for whom specific courses had been arranged spoke of the retraining programs in the most laudable terms. Because of their intervention in the selection process, they were generally pleased with the personal characteristics of the trainees they hired; because many of the training specifications were established by the companies themselves, they appreciated the skills with which trainees adapted to the needs of their jobs.[6]

Our follow-up evaluation of the trainees in the West Virginia programs revealed that those trained for the newly established plants had almost perfect placement records and enjoyed improvements of income which significantly surpassed those of other trainees and control groups of nontrainees.

Relocation Subsidies Bypass the Older Unemployed in Rural Areas

Although some have looked to relocation as a solution to unemployment problems among the rural poor, our own evaluation of relocation subsidies, buttressed by the findings of other research investigators, indicates older unemployed workers are not likely to benefit from such

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[5] Niles M. Hansen, Rural Poverty and the Urban Crisis: A Strategy for Regional Development, (Bloomington, Indiana: Indiana University Press, 1971), p. 238.

[6] Gerald G. Somers, editor, Retraining the Unemployed, (Madison, Wisconsin: University of Wisconsin Press, 1968).

governmental subsidies. In a recently completed evaluation of subsidized labor mobility programs in northern Michigan and northern Wisconsin, there was a significant difference in the age of relocatees and a control group of nonmovers drawn from the files of the Employment Service in the areas of departure. Approximately 75 percent of the relocatees were under 30 years of age, and only a little over 5 percent were 45 years or older. On the other hand, almost half the nonmovers were 30 years of age or older, and over one-fourth were 45 years of age and over.[7]

Conclusions

In conclusion, the creation of jobs through industrialization in rural areas will provide significant benefits for the poor and hard-core unemployed in these areas, only if the following conditions are met:

(1) The attraction of new private employment opportunities must be accompanied by retraining programs and other investments in human resources which will permit the locally unemployed to compete for job openings.

(2) Jobs in public works and other public service employment must be provided for the most disadvantaged rural workers, especially in the older age brackets, because they are not likely to be absorbed in private industry and may not be able to benefit from extensive retraining.

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[7] Gerald G. Somers, Labor Mobility: An Evaluation of Pilot Projects in Michigan and Wisconsin, (Madison, Wisconsin: Industrial Relations Research Institute, University of Wisconsin, 1972).

DISCUSSION OF SESSION IV

Robert Ferguson

Thank you, Jerry. I think we have time for a limited number of questions.

Audience Member

You said expanded industry does not help the chronically unemployed. Perhaps expanded industry doesn't help them directly. Are there any programs which train the chronically unemployed for lower skilled jobs rather than higher skilled jobs? That is, are there programs which train people specifically for the lower skilled jobs left vacant by promotion? Have you used employment criteria to select where these workers would come from, so you could train them for the lower skilled jobs?

Gerald Somers

I haven't seen any good evaluations of that. The question was, if a new plant comes in with high wage jobs, even though the plant might hire some of the more advantaged workers, and perhaps even upgrade workers already employed, wouldn't this also open jobs at the bottom of the occupational ladder, for those with lower skills? Couldn't you then absorb some of the local unemployed, especially if you gave them some kind of minimum training to take those jobs? In theory, that should work. I would like to see some evaluations of that kind of approach. We often say in the manpower field that this is the way to attack the problem; that after all, job openings are not at the lowest levels where the most disadvantaged workers would be expected to find jobs. Even accelerated training programs can't develop skills at a level high enough so that people can take the true job openings, or job vacancies. But if you can upgrade some workers, it is possible to create openings at the bottom. I've never really seen that work out; it's difficult. Maybe it works in theory better than it does in practice. Again, this is sort of a trickle down business that never really comes into fruition. The employers may continue to take relatively advantaged workers, even for the lower level jobs. This is especially true in an economy where there is a potential amount of total unemployment. In other words, unless you focus on the target of the hard core unemployed and the most disadvantaged in a manpower program, you may never get to them. I'm always just a little worried and a little suspicious of the trickle down approach; the idea that if jobs go to the most advantaged, somehow lower unskilled workers

will finally get jobs too. I'd be happy to accept the conclusion; I just haven't seen any evaluations that show it. I would like to see a good evaluation of the subject.

Audience Member

I'd like to ask, Mr. Chairman, when high wage industry comes in, sometimes people who had been commuting to jobs away, now begin to work at home. Do new high wage plants motivate people who have migrated to other centers to return home?

Gerald Somers

One of the difficulties in the West Virginia plant expansion was so many people had left this chronically depressed rural area. Many of the most ambitious, young people had left, and moved to areas such as Akron, Detroit, and Chicago to develop skills. Others commuted 50 miles to the best jobs they could find, unwilling to leave the rural communities they loved. They had developed an attachment to the rural way of life, as had those who had left. When Kaiser Aluminum moved in, this was heralded widely as a salvation for the state. The relatives who still lived in the area all wrote their sons telling them to come home. There was now employment; they no longer had to live in Chicago or Detroit. Their sons thought, since they had developed skills and know-how, obviously the plant would hire them. So the sons returned home, to the communities they had never wanted to leave. Those who had been commuting 50 miles also tried to find jobs with Kaiser so they wouldn't have to commute. And, a lot of people who had never lived in the area moved in because these were very good jobs indeed. It's not surprising, in some ways, that the unemployment rates are almost as high 10 years after as they were before the Kaiser Aluminum plant settled down there. This is one of the discouraging things about trying to reduce substantially local unemployment. The more successful you are in creating jobs, the more people might move back, or might be attracted to an area. There are certain advantages to living in rural communities; they'll continue to grow, even if people don't have jobs there. Some of the people in the Manpower Administration use a term I don't like, but they say, people come out of the woodwork when you bring the unemployment rate down sufficiently in an area. Housewives and other discouraged workers also come back into the labor market. It's almost a losing battle in some ways; the more successful you are in creating good jobs, the more people come into the area looking for jobs. That's how we define unemployment.

THE RURAL DEVELOPMENT ACT: ITS IMPLICATIONS

John A. Baker
Consultant, U.S. Senate Committee on Agriculture and Forestry

Chairperson, Collette Moser, Rural Americans and Friends of Rural America.

It is encouraging that our chairman tonight is nonold, nonmale, and nonurban. It is also encouraging that you have used the word "rural" in the name of your institute and in the name of this conference. It is a word of which a revitalizing rural America and its millions of people can be proud, rather than thinking of themselves as being tucked into some kind of ignominious pigeonhole labeled "nonmetropolitan." I say proud and encouraging because we are moving with rather than against the grain of history.

Every nation of the world--particularly the developed democratic, industrial and post-industrial nations--is looking to its own history to rediscover and recapture the verities and values of its culture that began in the open countryside and small towns. Rural development seeks those basic values and freedom from air, water, and crowd pollution. It seeks to strengthen the meaning of rural values and to build a higher quality of life for all people and the nation.

If rural development results in the urbanization of the countryside, we shall have failed. Better incomes, more jobs, higher quality sewers and water systems and firehouses, and rural industrialization are possible. But if in attaining these goals we fail to preserve the unique charm of small town and country living that commended it for praise from Thomas Jefferson and Thomas Hart Benton, we shall have failed.

However, I am quite sure that you have not suffered from my absence this morning. Lynn Daft is more than capable of doing an adequate job. His explanation of the Rural Development Act of 1972 may well have been more informative, as well as better articulated, and more understandable than mine might have been.

It is unfortunate that Bob Poage wasn't able to speak at the luncheon today as scheduled. His contribution to farmers, farm life, and to rural America has been great. You can be sure of one thing, without the many months of hard work Bob Poage did week after week there would

have been no Rural Development Act of 1972. Rural Americans can well honor the 18 months of dedicated hard work by Bob Poage and Senators Talmadge and Humphrey that went into developing and passing the Rural Development Act of 1972.

All of us who love rural America and who are concerned about its future can only be reassured and inspired by:

(1) the establishment of the Center for Rural Manpower and Public Affairs; (the Proceedings of its February conference are informative and challenging, if somewhat bleak, in its realistic and factual presentation of the poor state of affairs concerning manpower and employment services in rural areas) and,

(2) the establishment, in the U.S. Department of Labor, of a Rural Manpower Service to fill the gap which has existed too long between the Farm Labor Service and the Urban Labor Service.

In the course of these remarks, I shall repeat some of the critical points about the manpower field brought out in the February conference. That program emphasized some of the key adversities which act as barriers and handicaps to attaining the rural development goal proclaimed in Title IX of the Agricultural Act of 1970 and which will seriously frustrate attainment of the objectives of the Rural Development Act of 1972 if aggressive action is not taken.

The sponsors of the Rural Development Act of 1972 (it was adopted by a practically unanimous vote in both the United States Senate and the House of Representatives) consider it a landmark piece of legislation equivalent to the Homestead Act, the original Bankhead-Jones Farm Tenant Act, and the Rural Electrification Act of 1937.

The major thrust of the Rural Development Act of 1972 is rural job-creation, the increase of rural incomes, and expansion of rural financial and economic strength. The purposes and provisions of the Act are designed to carry out the expansion of meaningful employment: payrolls as the preferred alternative to mounting welfare rolls. As Jim Bonnen pointed out at the February conference, this coincides with the rural *work ethic*. But it is more than just that cherished value Brewster described; it is also a concrete factor of human dignity and national solvency.

In this connection, apparently neither the WIN (work incentive) program nor Senator Talmadge's more recent tax incentive amendment is being effectively implemented in rural areas. We hope some of you will give hard thought to helping rural people get off welfare and into productive and remunerative jobs. If additional legislation is required, please let us know.

The Rural Development Act of 1972 contains a rural job-creating general purpose package of programs in: goal-setting, development coordination, credit and grants in aid, technical assistance, education and research, and built-in program evaluation by both the Executive Branch and the Congress.

The Act places very heavy dependence on expansion of new industrial and business plant capacity in rural areas, upon the service sector, and upon location of government installations in rural areas instead of nonrural areas. Attainment of these objectives depends upon the willingness of government and investors to locate in rural areas.

The first section of Title VI requires government to locate new facilities, installations, and offices in rural communities. It seeks to encourage and facilitate private investors to finance expanded plants in small towns and in the countryside through utilization of a broad battery of facilitating and supporting programs.

Every study I have seen, from the Fantus Report done on contract for the Department of Agriculture by a talented firm of industrial location consultants to the various research studies reported in your February conference, indicates that the success of the major thrust of the Act--job creation and plant location--will be dependent upon: (1) detailed, local, rural labor market data; (2) effective, efficient, and available employment services in rural areas, including recruitment, training, transportation, and placement; and (3) adequate provision for manpower development and training of rural residents.

Increasing numbers of observers and participants have been impressed by the success of the interdepartmental Concerted Education and Training Services. C. B. Gilliland and Dr. John McCauley, the national co-chairmen of this effort, are showing us something that works. We should try to figure out how to put their teachings to broader application. In some areas this concerted training and education service operation has not only expanded rural job training but has also developed jobs for its graduates, stimulated local efforts to attract new industrial plants, and inspired the improvement of the local community facilities and services needed to attract and support additional jobs and plants. The Rural Development Act of 1972 will buttress the efforts of the Concerted Services activity in many respects and was designed to do so.

Enactment of the Act places special extra duty and responsibilities on the programs of the Departments of Labor and Health, Education, and Welfare. Its very enactment requires these Departments to acknowledge

new responsibilities and puts them under a stronger directive to become rural minded.

Section 603 of the Act places all the offices and personnel of these and other departments and agencies of the Executive Branch under surveillance and coordination of the Secretary of Agriculture, who is enjoined to see to it that these non-USDA programs make their maximum possible contribution to the national goal of rural development.

If that is to come about, we will have to figure out how to collect, summarize, disseminate, and use data on rural unemployment and underemployment which is more timely, current, accurate, and more frequently reported. We must help the Secretary of Agriculture convince the other departments and agencies to stop short-changing rural Americans in allocating program funds and writing program procedures and guidelines. We must help him convince the responsible agencies to fill the rural labor market data gap the Fantus Report reveals. The Smaller Communities mobile surveys, for example, are too few, too infrequent, and not good enough. We must help the Secretary of Agriculture convince somebody to spruce up and make more employment services more effectively available in rural areas. Neither employers nor workers are now adequately served.

The Rural Development Act of 1972 does not address itself directly to these matters because the Congress intended and hoped that, operating under Section 603, the Secretary of Agriculture could bring this about.

But I am reminded of the Rural Electrification Act, enacted by Congress after 20 years of waiting for someone else to help make electric service available to rural America. Congress enacted the rural housing program in 1961, after many years of waiting for the general housing program to reach rural residents; Congress did not move to provide the rural water, sewer, and solid waste disposal loan and grant program until waiting fruitlessly for the general community facilities program to get into rural America.

I am sure the sponsors of the Act are hopeful it will not become necessary to enact special *rural* employment, manpower, and labor market data programs for direct administration by the Department of Agriculture as has had to be done with electric power, telephones, housing, water and sewer, and now, *rural* industrialization loans, and *rural* planning grants.

Someone will have to provide manpower and employment services to fill the rural nonfarm vacuum in the Labor Department programs if rural development is to succeed. Programs such as the rural trainee housing law (Section 522 of the Housing Act of 1949, as amended) will have to be used--not allowed to lie dormant.

The Rural Development Act of 1972 (Section 603) requires the Secretary of Agriculture to establish national goals for these matters and to prepare for Congress an annual report on progress made toward attaining the goals he establishes. Moreover, the Secretary is directed and empowered to utilize, transfer, or consolidate HEW, Labor, and OEO programs, offices, and personnel as necessary to carry out his responsibility.

The administration and implementation of the Rural Development Act of 1972 will be closely monitored by Congress under provisions of the Legislative Reorganization Act of 1970. Aggressive Senate Committee action, for example, will be supported by augmented special services of the new Congressional Research Service of the Library of Congress and by the regular, and special reviews as well as the new program evaluation and cost-effectiveness unit of the General Accounting Office.

This will involve legislative oversight hearings and inspections, studies and inquiries, cost-effectiveness studies of alternative approaches, and other program and reporting techniques.

Chairman Talmadge of the full Committee, Chairman Humphrey of the Rural Development Subcommittee, and other co-sponsors of the original rural development bill have announced their intentions and have set up machinery and organization to carry out vigorous legislative oversight to insure full implementation and funding of the Rural Development Act.

The meeting in October in the University of Georgia Rural Development Center at Tifton was the first major step in legislative oversight of administration of the Act. Chairman Talmadge invited the top seven echelons of the Department of Agriculture, the Office of Management and Budget, and other agencies to spend a full day with rural people of Georgia. The Executive Branch cooperated fully.

The object was to get the bureaucrats and officials to listen while Georgia rural leaders explained how they wanted the Act to be implemented. This happened; more than 450 rural Georgians expressed themselves. They talked about how they wanted red tape cut and how the Act could be administered to attain rural aspirations, and meet rural needs in accord with local opinions, desires, and value systems.

It was a thrilling and exciting experience to observe this process of two-way communication between officials and rural people discussing ways to implement this new law well before "proposed regulations" had been inserted in the *Federal Register*.

The meeting at Morehead, Minnesota, yesterday had the same purpose and a similar format. About 300 were invited, over 1,450 came; some from as far away as California and South Carolina. It was a striking display of interest in the provisions of the Act and a desire for its full implementation.

Discussion

Audience Member

What do you think should be the leadership role of the Secretary of Agriculture? Why should we think his coordination and leadership efforts will be any better than what we've seen in urban areas?

John Baker

First, the Secretary of Agriculture is given a direct grant of statutory authority in the Rural Development Act, Section 603, to back up his responsibility for coordinating a nationwide rural development program to officiate the National Rural Development Policy established by Title IX of the Agricultural Act of 1970. By law, he has been made National Director of Rural Development with authority over all departments and agencies of the Executive Branch. Second, "rural development" is made a basic mission of the Department of Agriculture. The exercise of this particular type of strongly buttressed coordinated authority undertaking has never been tried before. The nearest thing to a precedent is the authorizing legislation of the Bureau of Outdoor Recreation, which has been operating successfully for about 10 years.

Audience Member

I don't know that much about the question of rural economies of services delivered to people in rural areas, but it seems to me that we have had technical assistance panels, and we've had rural affairs councils in some states. Who would you see now playing a leadership role and acting as the agent of the Secretary of Agriculture in rural counties?

John Baker

I was reliably informed late yesterday that Secretary Butz has not yet determined how he's going to do it. He will have, and need, all the support he can get. But I feel certain he can do it if he tries hard enough. Congress has given him the authority along with the

responsibility. What he has to do now is organize and use his new power.

Curtis Aller

John, I promised myself I'd behave tonight, but I can't.

John Baker

If you're engaged in stimulating creative tension, you are behaving.

Curtis Aller

I just have to remind you that for three or four successive versions of the Manpower Bill, we wrote the same kind of coordinating authority for the Secretary of Labor, only to find that the congressional initiative really went nowhere. It depended, in the end, upon a Secretary of Labor being willing to exercise that authority; but more fundamentally, it really depends upon what often happens in coordination, and that is, the coordinator says, "all right, you fellows co and I operate." And that's a very, very difficult kind of stance to persuade a lot of equals to accept. I wonder, in the line of this history, what special ingredients you think emerge out of this special assignment to the Secretary of Agriculture?

John Baker

I agree -- next question. The Congress was very wise, and the committees, and the Conference of Managers were very wise in not tying the Secretary of Agriculture's hands as to how he should go about doing this. But I'm positive from our earlier experience, Gill and Lynn, that this complex, coordinating job absolutely cannot be done without the continuous and solid support of the Office of Management and Budget and the White House. If they don't support the Secretary of Agriculture in this effort, all he can do is break his heart. Even with the backing of the President and OMB, the Secretary's coordinating role isn't going to be easy.

Louis Levine

Considering the pending reorganizations in the Executive Branch, what are the likely implications for shifting this out of Agriculture altogether (in terms of development activities) into another, either independent, or newly created department of government?

Collette Moser

Would you repeat the question?

John Baker

The question was, what are the implications of the impending reorganization plans in the Executive Branch, on where these functions are liable to wind up? The law says in the Department of Agriculture.

A fellow raised that same question in Morehead yesterday. I looked at Will Erwin who is Deputy Undersecretary for Rural Development, and he looked at me, and fortunately, a fellow from Fargo, North Dakota, stood up and said, "I'll answer."

Will Erwin looked at me and said, "Thank, God." I said, "Amen."

So this great big fellow said, "I'm interesting in housing." He spent the first four or five sentences tearing HUD apart. He spent the next three sentences praising Farmers Home Administration. He's a private housing man, and a private housing consultant.

He said, "They'll tear up Farmers Home Administration over my dead body."

Another person stood up and spoke for Rural Electrification Administration and said, "We want it to stay in the Department of Agriculture."

I know what Chairman Talmadge thinks about this, and I've read press releases of other Senators and Congressmen. They agree with the two fellows who spoke.

Will Erwin and I are not in a position to answer your question.

Audience Member

What is the importance of rural labor market information? Is that something in the Act we've overlooked?

John Baker

No, the importance of labor market information was not overlooked. Let me put it this way. Adequate, current, accurate, detailed rural labor market information is absolutely essential to the success of the National Rural Development Policy and the programs provided in the Rural Development Act. The essentiality of adequate labor market data, available effective rural manpower and employment services, and realistic job and literacy training and other systems such as health, education, cultural opportunity, and social services are not overlooked in the Act.

All these, and more, are included by Section 603 in the supervisory responsibilities of the Secretary of Agriculture. The hope is that the Departments of Labor and Health, Education, and Welfare and other departments will do what the law requires them to do with no more than the persuasive prodding and encouragement of Congress, the Secretary of Agriculture, and his assistants. If not, provision for these prerequisites of rural development success might have to be established independently of the now existing institutions.

The annual report of the Secretary of Agriculture will contain rural development goals for these matters, an evaluative analysis of attainment in reaching goals, and recommendations for needed changes,

if adequate effective rural manpower and employment services is not forthcoming. It is hoped that establishment of a Rural Department of Labor within the Department of Agriculture will not become necessary.

Audience Member

When are they going to put some water into the pool and how much?

John Baker

The answer as to when the Act will be implemented and funded varies from Title to Title, and in Titles I and VI from Section to Section.

Some provisions of Title I are already in operation in the county offices. Others can go into operation as soon as procedural and instructional material is made available to field workers. No new appropriations are required it can be augmented later by supplemental and subsequent appropriation acts. Most of the new programs provided by Title I operate through insured and guaranteed loans for which no appropriation at all of Treasury funds is required. Some of the expanded grant programs are already partially funded and additional funds are available in the impounded reserves in the Office of Management and Budget. Some of the new grant programs such as pollution abatement and control and general purpose rural planning will require new appropriations.

Titles II and III are already funded and can go into operation as soon as proposed procedures are cleared with representatives of state and local governments, in accordance with the A-75 procedure.

Titles IV and V will require an appropriation before they can go into operation. This could come as part of the first supplemental appropriation bill in the next session of Congress.

Title VI does not require new funding; the needed money is already available in the fiscal year 1973 appropriation. The new anti-air pollution program is already in operation in county offices. Implementation of other provisions of Title VI await policy and organizational decisions at the highest levels of government.

Ray Marshall

How about the fire house?

John Baker

Loans to acquire or build fire houses for rural fire prevention and suppression will be available under the amended Section 306 (a) (1) of the Consolidated Farm and Rural Development Act. Since these are insured loans at a maximum 5 percent interest, initiation of the program is not dependent upon appropriations. They will be available in county offices as soon as the necessary procedural and instructional material

is ready for distribution.

Funds to operate the technical and grant-in-aid assistance to local rural fire prevention and suppression organizations are not available from any existing appropriation. Initiation of the program must await passage of a supplemental or regular annual appropriation bill in the next Congress.

It should be noted in this regard that the funding of various programs has become more and more independent from what Congress does about Appropriation Acts. Even though Congress appropriates funds for a program, this does not mean that the funds become available for operation of the program, if all or part of the amount is impounded by the Office of Management and Budget. In this case, however, it is expected, in the normal course of events, that the Office of Management and Budget will request and will allocate to the administering agencies full funding of all the new and expanded programs needed for rural development, which is one of the President's high priority goals for America.

Audience Member

I was going to ask just that question, because in program after program I have heard Congress has appropriated money, the OMB has decided not to release that money, and the Administration will not make the money available. This is not just in agricultural programs; it's in many other programs.

John Baker

The impoundment of funds by the Office of Management and Budget is really a serious matter. It is serious, as both of us as former administrators fully realize.

This is really a heart-rending thing. You work your head off and your heart out, and people all over the country who are depending on your program also have worked their hearts out to get Congress to appropriate X hundred million dollars, or whatever. And then the Budget Bureau decides they're going to let the administrator of the Employment Service have only 20 percent of the amount Congress appropriated.

Some question the constitutional right, under the division of powers doctrine, of the Executive Branch to refuse to utilize funds appropriated by the Legislative Branch. That question may well be settled during the forthcoming session of Congress and subsequent court cases.

You may want to go back to the drawing board and refresh your memories on the Constitution and the Federalist Papers. An historic period

of monumental confrontation on basic elements of a form of government may well be impending.

Collette Moser

Are there any other questions? If not, I'm sure I express the feeling of the audience when I say, I want to thank you so much, Mr. Baker, for coming here and giving us this inside information and some of your views.

John Baker

That's all real nice, but what I want to know is whether you're going to write to Chairperson Sue Baker and tell her what a good job I did.

Collette Moser

Adjourned.

SESSION V

THE C.A.M.P.S. PLANNING SYSTEM AND RURAL AREAS

THE CAMPS PLANNING SYSTEM: ITS HISTORY AND FUTURE

Ben McGimsey
U.S. Department of Labor

History of CAMPS

The Cooperative Area Manpower Planning System (CAMPS) began in 1967 with an interagency agreement signed by the Departments of Labor, Commerce, Housing and Urban Development, Health, Education, and Welfare, and the Office of Economic Opportunity. More recently, the Department of Agriculture and the Department of the Interior, the Civil Service, and the Environmental Protection Agency have joined as cooperating agencies.

CAMPS was officially recognized by Executive Order 11422 on August 15, 1968. It was seen as the primary mechanism for implementing the federal policy of "cooperative planning and execution of manpower training and supportive manpower service programs." Its purpose is to provide cooperative planning at the state and local levels for coordination of federally funded manpower and related programs.

Thus, CAMPS began as a federally dominated system, designed to solve problems of federally funded programs at the local level. CAMPS structure consisted of the National Manpower Coordinating Committee at the federal level, CAMPS committees at the state level, and area committees within each state. Representatives from each of the cooperating agencies served as members of the NMCC which was chaired by the Assistant Secretary of Labor for Manpower. The Manpower Administration provided further staff support. The NMCC structure was duplicated in each of the 10 regions. At the state level, committee members were representatives of agencies providing services: essentially, CAMPS committees were committees of peers. Although the general public, program clients, and elected officials were invited to participate in the CAMPS meetings, they were not official committee members.

CAMPS committees were responsible for identifying needs and providing an inventory of programs. They were also asked to plan the deployment of resources for the next fiscal year based on federal estimates of state allocations as listed in the President's budget. In reality, they accomplished little more than an inventory of programs. CAMPS committees did not actually initiate planning; instead they merely reacted to a federally determined resource level and attempted to make sense out of it.

CAMPS committees have primarily served in a coordinative capacity, providing information exchange among manpower and manpower-related agencies at the area and state levels, and in a few cases, supporting the development of inter-program linkages. They have also been involved in identifying gaps in services. While this informational service is important, many feel a broader scope is needed if manpower planning councils are to support governors and mayors in manpower planning.

In 1968, governors and mayors were offered a chance to assume a leadership role in CAMPS, but few actually did as there was little incentive; CAMPS was still a federally dominated system. To strengthen state capabilities, Secretary Schultz offered manpower planning staff grants, wherein staff members would work directly for governors. A shift from a federally dominated to a state oriented system was underway. However, the Employment Service continued to play a large part in this system; in fact, about one-half of the governors' grant positions were domiciled in the state Employment Service. The participating states also established sub-state planning areas, with area plans flowing through and subject to revision by the state CAMPS committee.

During April-June, 1970, similar grants were offered to 135 mayors of cities with populations over 100,000. These staff members were to work directly for mayors to increase local manpower planning capabilities and so encourage mayors to assume a greater role in manpower planning. But this plan was not successful. Even with these grant staffs, the mayors were still tied to the federal and state oriented CAMPS system. CAMPS did not really give mayors—or anyone—a chance to influence either the levels or types of state or area manpower programs.

Early in 1971, a move was made to revise CAMPS. Several drafts of a revised CAMPS structure were widely circulated, and comments from a broad range of interested parties were solicited and considered. On April 21, 1971, the National Manpower Coordinating Committee approved ICI 72-2: the first major change in CAMPS structure and function.

ICI 72-2

ICI 72-2 establishes the principle that manpower planning, including the provision of funding recommendations, is the role of state and local elected officials: governors and mayors must provide leadership in CAMPS. This revision is founded on the principle that local problems are best solved through locally conceived solutions. The issuance also emphasizes the Manpower Administration's commitment to fund its manpower

training programs in line with the recommendations of governors and mayors, subject to agreement by the regional manpower administrators.

The issuance establishes a new membership model for state and area planning councils. This model, in essence, requires participation from the three segments of the manpower community: agency/sponsor representatives; client sector representatives; and representatives of the general public, including business and organized labor. The necessity of assuring a reasonable balance both among and within these three sectors is emphasized. Council membership is also subject to review by the Regional Manpower Coordinating Committee (RMCC).

A process of planning that stresses cooperation between cities, states, and their respective agencies is prescribed. Sound planning can be formulated only when cities and states apprise each other of their activities; data on needs, available resources, and priorities must be shared.

Governors are responsible for preparing manpower plans for their states, and are expected to utilize or change area plans as necessary. Mayors are to submit their manpower needs and priorities to both the Regional Manpower Coordinating Committee and their governors. If a mayor has comments on or criticisms of the state plan, these are to be submitted directly to the RMCC.

Two types of areas covered by Manpower Area Planning Councils are defined: required and optional. Required areas include those 135 cities with populations over 100,000 already receiving CAMPS staff grants which, in the judgement of the RMCC mayors, have been providing an effective CAMPS operation. Optional areas are selected by the RMCC after consultation with the governors and appropriate locally elected officials. RMCC must first determine that optional MAPC are the best way to serve a selected area.

Furthermore, states are urged to establish planning areas in parts of the state not covered by the Manpower Area Planning Councils. It is urged this be done using existing CAMPS areas and in accordance with the Office of Management and Budget Circular No. A-95. Such areas are then served by the state-established Ancillary Manpower Planning Boards. This section of ICI 72-2 is of particular interest to rural planners.

It sets forth the principle that state and local government executives must have access to information on program performance so they can make sound manpower resource allocation recommendations among existing programs. It also clearly authorizes and empowers councils,

mayors, and governors to review, assess, and evaluate manpower programs.

Problems in Planning for Rural Areas

Most manpower program experience has been with urban rather than rural models. The recent move towards decategorization should facilitate modification of these models and help alleviate their urban bias. Yet, at the same time, the urban sectors' previous manpower experience will strengthen their competitiveness in pressing claims on manpower funds under the block grants of special revenue sharing.

Most rural areas have an inadequate data base. Since urban areas' data banks are superior to those of rural areas, it is easier for urban areas to obtain funding. Communications systems are also a problem. Since lines of communication have not been established in areas which have no on-going manpower programs, the federal manpower establishment seems remote and inaccessible to rural residents.

Communication links must be strengthened between the Ancillary Manpower Planning Board and the state level planning units. AMPB plans seemed to have been ignored last year. But the State Manpower Planning Commission may have listened and simply failed to inform the local AMPB planners.

Outlook

The evolutionary nature of manpower planning policy is reflected in the latest issuance, ICI 74-1, which hopes to correct some of the problems in the CAMPS system by focusing its attention on the State Manpower Planning Committees. Specifically, ICI 74-1 mandates each SMPC to:

(1) Submit a draft of its state manpower plan to the Ancillary Manpower Planning Board for review.

(2) Coordinate the collection of labor market data and program information and provide an efficient mechanism for giving this collected data to AMPBs.

(3) Assume responsibility for programs when the state manpower plan differs substantially from AMPB recommendations. AMPB minority reports will be appended to the state plan and passed on to the Regional Manpower Coordinating Committee.

(4) Provide staff support to AMPBs, including stationing staff in key rural areas.

Under ICI 74-1 the state committee is responsible for assuring that AMPBs receive adequate staff support, and that AMPB interests and needs are reflected in the state CAMPS plans. The Manpower Administration's regional offices will take a more active role in the CAMPS system, providing technical assistance and improving planning data bases. A

mid-year review system is presently being developed to spot potential trouble areas, including the neglect to act upon AMPB recommendations.

MANPOWER PLANNING AT THE STATE LEVEL: THE CAMPS PLANNING SYSTEM IN ARKANSAS

Jo Jackson
Arkansas Manpower Council

Contemporary writers and leading experts in the area of manpower programs, manpower policy, and manpower planning all seem to agree that the capital "C" in the acronym CAMPS represents a totally naive approach to producing anything close to a coordinated or comprehensive manpower delivery system. As the President and the federal agencies saw it in 1967, the duplication and fragmentation of manpower, training, and education programs which proliferated through the early years of the War on Poverty could be coordinated through a Cooperative Area Manpower Planning System.

Eventually seven major federal agencies signed an agreement to cooperate in planning for the delivery of manpower programs. But as time went by, it became more and more evident that cooperation, coordination, and even coercion could not eliminate wasteful duplication of program money or allow local people a voice in programs mandated for their communities but which, in fact, looked only to Washington for direction.

If one dates the beginning of modern manpower programs with the passage of the Manpower Development and Training Act, we are just completing a decade of experience with federal manpower programs. Some of us are presently involved in manpower planning through CAMPS grants to elected officials. We are fortunate the federal decision-makers realized that the Cooperative Area Manpower Planning System needed a diet of red meat if it were to grow up from the prevailing pablum diet of federal support and achieve meaningful comprehensive manpower planning.

Thus in early 1971, four years after the first executive order creating CAMPS was issued, nine federal agencies, under the leadership of the Manpower Administration of the Department of Labor, drafted a new policy statement for structural and functional revision of the CAMPS system.

Interagency Cooperative Issuance 72-2 and I arrived within a few weeks of each other in the State CAMPS Office in Arkansas. Prior to my appointment by the Governor, I had spent three and one-half years with the State Health Planning Agency and about the only thing I knew

about CAMPS was what the initials stood for and that Health Planning had to sign off on a voluminous plan each year.

After a couple of weeks of being told by the staff and some representatives from the Regional Department of Labor, that this was a significant document (I must have read it three or four times without much comprehension of its import), I began to work with the staff to interpret and implement the provisions of ICI 72-2. I should insert here that interpreting federal issuances seems to me rather like the expression "beauty is in the eye of the beholder." Each staff member, and as it turned out other interested individuals, read different meanings into the wording of the document. After considerable discussion, we were able to agree on most of the intent of the Issuance. To this day, planning staffs do not always agree on either interpretations or procedures outlined in the document. But given the customary ambiguity of the bureaucratic language, we put our own Arkansas interpretation on implementation of ICI 72-2. When Jim Smith and I speak to you about our planning efforts, we are not in any sense projecting these as models; we are only speaking from our State and from our own experience with CAMPS.

In Arkansas, Governor Winthrop Rockefeller had issued an Executive Proclamation in 1969, establishing the Arkansas Manpower Council with the CAMPS grant for staffing the Council located in the Office of the Governor. The Council was never really activated, but this Proclamation was reissued by Governor Dale Bumpers in February, 1971. Although the Council, as established by executive proclamation, did not quite meet the new membership structure outlined in ICI 72-2, we decided to use our executive mandate as the basis for restructuring the former State and Area CAMPS Committees as the nuclei for the Arkansas Manpower Council and its Ancillary Manpower Planning Boards, with the Governor chairing our monthly meetings.

As we worked to comply with the organizational structure for planning, two significant new groups were brought into our planning processes for the first time: local elected officials, and representatives of the client-sector group.

The attempts to involve these two groups in the manpower planning processes have already had an impact on our efforts, and I believe that the long-range involvement will almost revolutionize the old CAMPS planning, which was largely done by a few local agency people who were instructed to participate by the state and federal administrators.

It has seemed to me over the past few months that manpower planning is actually a science that is developing by the process of doing. As I see the state of the art, we are presently engaged simultaneously in what I term the three P's of planning: process, politics, and professionalism.

As we have involved ourselves in structuring, restructuring, and organizing our State Council and its AMPBs to participate in the process of planning, we have worked to assure the appropriate flow of information back and forth between the planning groups. For example, demographic planning data on the target population are obviously easier to gather at the state level and disseminate to the local Boards. Governors can usually obtain prompt and fairly accurate reports of funding and program resources from state and federal agencies, and relay the information to local boards. But it is obvious the purpose of the planning process is that local people make the decisions concerning who should be served from the target population and which programs in their inventory of resources will be utilized. As we have moved into reviewing contracts, analyzing performance data, and highly technical functions, it has become increasingly difficult to assure that the process is not thwarted at the federal, regional, state, or local level.

The politics of planning have become considerably more intricate with the increasing federal emphasis on decentralization of authority to state and local elected officials. The membership provisions of 72-2 were interpreted in Arkansas to mean the involvement of county judges, as the locally elected officials in each county. The Emergency Employment Act was, for many of the judges from smaller counties, their first experience in administering a federal manpower program. In some of our AMPB districts, every county judge in the area wanted to be a member of the Board. This year's General Revenue Sharing Act, although it does not include manpower, has heightened the interest of local officials. I think we will see more involvement from the political sector in the future. This means that local and state boards not only must concern themselves with bureaucratic turfdom among agency board representatives, but that an independent political entity will also be making competing claims for manpower services. I am hopeful the client-sector involvement will add yet another ingredient to the stirring political cauldron through demands for consideration of "people problems" in setting local priorities for programs and money.

Ideally, both the process and the politics of planning should begin at the grass roots level and, if possible, problems should be solved where they are occurring. I can tell you that Governor Bumpers, as chairman of the State Council, is not very happy when local problems are brought to the state for solution, particularly when two or more districts are concerned. He has made many public statements about his philosophy that the best decision-making takes place when local people make local decisions. For this reason, we have given our AMPBs more autonomy than is even suggested in ICI 72-2. With the local autonomy has come the implied responsibility of the AMPBs to handle local problems whenever possible.

The last P of planning represents the professionalism expected from CAMPS staffing grants to governors and mayors. When I assumed the directorship of the Arkansas Manpower Council, I began inquiries concerning short-term courses, seminars, or other staff development activities to assist me in learning about manpower programs and related activities. To my dismay, I found that only a handful of colleges and universities were offering degrees in the manpower field--the University of Texas being one. Short-term staff development courses are still unavailable, although the Southwest Regional Manpower Advisory Committee is currently studying the possibilities of making such training available through one of the institutes of higher learning in the five states in Region VI. I know that both Washington and Regional people are concerned that the expertise in manpower planning staffs will not be developed in time to insure that state and local decision-makers have competent technical assistance available to them as more and more programs become responsive to local recommendations. I am very concerned that the Manpower Administration allocate more funds for planning staffs. In Arkansas, the governor has responsibility for 69 of our 75 counties comprising the balance of the state. Our staff has three field men to cover these 69 counties, with two to three AMPBs assigned to each. Further, as critical as the AMPB role is in the planning process, we are expecting Board members with little or no knowledge of the categorical restrictions and federal mandated legislative and guideline requirements to demonstrate the expertise in local matters that full-time staff has difficulty understanding themselves.

I was selected, this past August, as one of eight state planning staff members to participate in a pilot program sponsored by the

John F. Kennedy School of Government, Harvard University. This first Institute in Manpower Planning was an exciting experience for the 33 participants. The Institute is now being carefully evaluated to determine what methods, techniques, and curricula were most effective and the intent is to conduct other institutes in the future.

This institute did give me a hint of the professionalism I felt was so sorely needed to assist the staff and our state and local boards to do better planning for Arkansas. I think this is exactly the right place to tell you that I did learn a smattering of many valuable techniques and methodologies to use in determining local labor markets, suggesting program mixes from the array available, projecting future occupational trends, etc. I also learned that almost none of these techniques work in rural states.

There were only a few of the participants at Harvard from states with significant rural populations. In a four-week program, the faculty devoted one two-hour session to rural manpower problems. The faculty member selected to do this, Dr. Vernon Briggs of Texas, made a lasting impact on the students and faculty in his presentation of the long-neglected problems of rural areas.

In the first place, most of the modern manpower programs were designed in reaction to crisis in the big cities. The people numbers-game the Washington actors played often completely disenfranchised rural areas. The problem becomes even more acute in the planning models designed for Comprehensive Manpower Plans. It is relatively impossible for state and local planners to recommend the appropriate program mix to meet the needs of the area when half the ingredients aren't available. How do you shift funds between categorical programs when only two or three manpower programs actually operate statewide?

I think Jim Smith can tell you that it is fairly difficult to recommend priorities among programs—even if you know which programs will solve your manpower problems best—when you don't have any WIN, Operation Mainstream, Public Employment Programs, or other resources to impact upon your target population.

Governor Bumpers has often expressed his frustration in being unable to bring any of his manpower programs to people in small counties because there is insufficient population base to qualify for some of them. Moreover, there is no new money available to get appropriate programs to rural residents.

I do not know when, if ever, the Washington lawmakers will decide that rural areas need special attention; that the rural-to-urban shift can be retarded if services can be made available in rural areas; and that although providing programs to rural residents may be more expensive initially, the problems of the undereducated, underemployed, and unskilled rural worker are only compounded in an urban area.

I believe a much more sophisticated degree of professional training is needed for planners in rural states, and that the Manpower Administration should also begin to give consortiums of counties or planning districts, equal consideration for full-time staff to assist the local boards in the technical planning and implementation of manpower programs and services.

The tea leaf readers at the Washington level aren't very optimistic that domestic programs, including manpower programs, will be expanded in the near future. However, they do see that the processes of decentralization and decategorization have become an established trend and more emphasis probably will be placed on continuing the processes. It seems to me federal agencies must realize that additional funds are necessary if state and local people are to make wise administrative decisions about federal resources.

Finally, I think that comprehensive manpower reform legislation is long overdue and absolutely critical to rural states. Governor Bumpers testified last year in Washington on the National Governor's Conference bill; plans are underway to draft revised legislation for consideration of the next Congress. I think it is time citizens interested in rural programs involve themselves in helping manpower people get reform legislation.

Solutions do not and should not always come from Washington, however. For our part, the Arkansas Manpower Council is following several courses of action to solve our own immediate problems. As we see it, we must use whatever means are at our disposal to increase public awareness of manpower programs and services. We must reduce the highly technical planning data to their simplest form so that Council and Board members can use and understand their importance in making significant recommendations. We must establish an evaluation system to analyze statistical reports on programs and reduce these to simple formats so that local boards made up of volunteers will be able to assess program performance in their own communities. Finally, we are attempting to make the Manpower Council and its

ancillary boards statutory under Arkansas law to give it both the emphasis and the continuity it needs to be a viable instrument in developing a truly comprehensive manpower planning and delivery system.

MANPOWER PLANNING AT THE LOCAL LEVEL: THE CAMPS PLANNING SYSTEM IN ARKANSAS

James Smith
Ancillary Manpower Planning Board - Batesville, Arkansas

The Ancillary Manpower Planning Board (AMPB) is the local manpower planning group as described in Interagency Cooperative Issuance No. 72-2 and attachments thereto. This issuance states that "State Manpower Planning Councils (SMPCs) will be creations of the governors and will operate under their auspices. They will be supported by Ancillary Manpower Planning Boards (AMPBs) for such areas as governors deem appropriate." As the name indicates these are advisory boards or sub-councils of the State Council.

In Arkansas the Governor designated existing rural CAMPS Committees as AMPBs. The AMPB area is coterminous with the planning and development districts, but in some instances this is not entirely satisfactory. Some districts are quite large and, in some areas, a county might be more closely aligned economically and geographically to another area. But this arrangement does provide a base from which to work, and makes collection and assimilation of data easier.

Local boards are generally free to organize as they see fit within the guidelines stated in the Cooperative Issuances. The latest interpretation of those guidelines requires that at least one-third of the board consist of clients of manpower programs or related services.

The North Central Arkansas AMPB membership represents a broad cross-section of the social and economic population, as well as a reasonable geographic distribution of members. The membership includes a college president, an out-of-school NYC enrollee, a minister, a senior citizen, a labor union officer, and a plant supervisor. It is anticipated that each county within the district will have advisory groups to assist the board in developing the comprehensive plan. Committees are sometimes formed using persons who are not members of the AMPB.

The North Central AMPB has its own bylaws, has developed its own operating procedure, and schedules its own meetings. It has no paid staff. Necessary supplies, postage, and other costs are borne by members or their employers. In some instances, local labor unions have reimbursed their members for wages lost while attending AMPB

meetings. Agency personnel are usually paid for costs of travel involving AMPB activities. Client participants usually receive neither wages nor travel pay for attendance.

Meetings have been held in the community room of a local bank, in a savings and loan building, and at an electric company. Our district has tried two methods of choosing meeting sites. For a number of years the site was rotated around the district, but during the past year all meetings have been held in Batesville which is near the geographic center of the district. A committee will evaluate the two methods and make recommendations to the board.

Meetings are from one and one-half to two and one-half hours in duration and are almost always very informal. They are usually held during the work day, but occasionally evening meetings are held. Client attendance is only slightly better at night meetings. Work sessions are usually more productive when held during the day; such sessions often last from six to eight hours.

Most of the agency members of the AMPB have been associated with CAMPS since its inception. The committee has been meeting for a number of years with apparent lack of impact on funding decisions or program design. Regardless of where the responsibility lies (local, state, region, national) this lack of impact has led to distrust, disenchantment, and apathy in many instances.

For too long, CAMPS has been a frustrating, meaningless cataloging of manpower programs. Too often, planning is done *for* rural areas, rather than by and with locally elected officials and other interested and knowledgeable rural residents. In the past, so-called "local planning" has consisted of telling local committees that a certain program will be funded at a certain amount, and that there is no reason to list anything else.

This is not only a waste of time, effort, and money, but an insult to the intelligence and integrity of local leaders.

In some instances, recommendations from local committees have been called unrealistic and impractical by state and regional officials. However, these recommendations contain the hopes and desires of the people most closely associated with the problems. A recommendation which is unrealistic today may be the seed to a viable, worthwhile program of tomorrow. Local planning groups should be assured that, if their opinions and recommendations are requested, they will be considered and judged in the proper context.

A June, 1971, Rural Manpower Service strategy paper identified a number of obstacles to effective manpower planning for rural areas. One such obstacle, program inflexibility, too often ignores the unique needs of rural people, and has virtually taken planning away from local planning boards. Local committees are hopeful that new regulations and policies will be interpreted to make manpower planning on the local level a "planning" process that can have an impact on rural development.

There are indications that local recommendations and priorities are being considered. Our local committee identified a number of training needs and included them, in order of priority, in the comprehensive plan as recommendations. From that list the following four training programs have been approved and training begun: Carpentry; Auto body repair; Refrigeration, Airconditioning, and Heating Service and Repair; and Diesel Mechanics. Applications for two more programs have been submitted and funding is expected.

Such success may encourage more active participation in the local planning effort, but fear is still being expressed that present directions will merely exchange one stumbling block for another. Many fear the inflexibility of federal programs and accompanying bureaucratic entanglements will be replaced by a state "take over" of program design and approval; and that lobby and pressure groups may cause an inequitable distribution of funds to the detriment of rural areas.

CAMPS should provide coordination and cooperation but, too often, political partisanship, vested interests, and other factors preclude equitable consideration of rural areas.

Elected officials in rural counties and towns generally have fewer staff assistants than officials in urban areas. Often they have no one to assign to manpower and economic problems, and must place these in the same hopper with roads and streets, courthouse and city hall operation and maintenance, etc.

Membership and member participation seems to be a problem with committees on any level. It is especially serious with local manpower planning boards. Disenchantment, frustration, and apathy are difficult to combat. Many local participants are not convinced that their views are considered at state and federal levels; too often their beliefs are well founded.

Elected officials often feel their time can be better spent with activities closely associated with their offices. Many feel inadequate

in providing the needed input for manpower planning, and incentives for active participation are not readily visible.

Local business and industrial leaders have not felt they can or wish to greatly concern themselves with cooperative comprehensive manpower planning. Too often the local representative who attends the meetings has neither the knowledge nor the authority to make commitments for the company. Many feel their time can be more profitably spent elsewhere.

Client participation is irregular and very meager, involving many problems which must be solved before their contributions become a meaningful and regular part of manpower planning. Clients are usually reluctant to take an active part in group discussions, deferring, instead, to agency personnel and other so-called "experts." They are often confused by the deluge of facts, figures, and projections thrown at the committee during the planning process.

Lack of transportation or the cost of transportation also affects client participation. If meetings are held in Batesville near the center of the district, the client member from Woodruff County to the south must drive 75 miles, while the client member from Fulton County to the north must drive 65 miles. Often meetings are held during a client's work day, and he usually can ill afford to miss a day's pay. They often display feelings of inadequacy and a lack of self-confidence. Client groups are easily discouraged and frustrated, and have little confidence in the system itself.

Perhaps the presence of a consultant, such as the coordinator of a Concerted Services in Training and Education Project or the specialist with a USDA Concerted Effort Demonstration Program, could combat these problems successfully. Dale Hathaway, Chairman, Department of Agricultural Economics, Michigan State University, in an address before the 27th Meeting of the National Manpower Advisory Committee in September, 1970, stressed the need:

> "...for trained personnel to engage in and educate local leaders in manpower planning, economic alternatives, and how to use the multitude of federal programs that are related to these problems. A good deal of the allocation of current manpower programs toward richer urban areas is not the result of conscious federal policy. It is due to the sheer inability of rural areas lacking trained planning personnel to submit organized plans and projects which qualify for federal assistance and to the complete lack of knowledge on the part of local rural government officials as to what assistance is available."

Later in this conference, rural service programs will be discussed. The North Carolina State University appraisal of the Concerted Services in Training and Education program indicates that rural areas can develop even with the inflexibilities of categorical programs designed primarily for urban areas.

Local manpower planning boards have not only requested staff assistance in the planning process, they have stressed the need for a person or persons working with AMPB members and other interested citizens to apprise them of current program allocations and policies and to assist in ploughing through the red tape and procedures associated with such programs.

Organized labor in rural Arkansas and, I daresay, in rural America, is usually not a powerful force. Organized labor is making great strides, but it will be some time before it can speak for the total labor force.

The bulk of local planning falls on the shoulders of agency personnel. These people usually can find time to attend meetings, and often receive travel pay and per diem for such attendance. Agencies are looked to for leadership, and in many instances, are depended upon for the entire plan. In almost all instances agency personnel compile the data, compose the plan, and type and submit the finished product.

The actual development of a manpower plan requires considerable time and effort. Committees and individuals are assigned tasks such as contacting schools and civic groups, assimilating pertinent data, and acquiring supplies and reproduction equipment.

The finished product is produced in one or more AMPB work sessions. These sessions are often cooperative efforts, in spite of the doubts and frustrations of many members. At the close of the final work session, the AMPB chairman assigns the task of putting the results of the various work sessions into the proper form.

This committee is usually composed of members who have available time and staff. Since elected officials and client participants usually do not, agency people almost always perform this task.

The Arkansas Manpower Council is now providing more meaningful statistical data than in the past. Local chairmen have frequent contact with the state Council staff, and Area Coordinators visit local areas and usually attend local AMPB meetings.

Lack of guidelines and unrealistic time schedules tend to cause

some strained relations between local committees and state staff, but both parties are working hard to overcome these problems and to maintain a pleasant, meaningful relationship.

Local committee members tend to regard the State Manpower Council director and staff as the "State Manpower Council." It is difficult to see the council itself as an active, visible body.

If manpower planning is to be meaningful and fruitful, there must be area, county, and town participation and input. The input must come from all strata of our society--not just elected officials and agencies, or just clients and labor--but from *all*, in combination and cooperation.

It is necessary and good that state and federal agencies advise local people on program availability, funding fads, and program successes, but they should not set local priorities or tell local planners how to design a plan. State and federal agencies should consider very carefully the preferences of local people. A program one person has deemed best for an area may not be the one an area wants, and for that reason may fail if forced on them. A "meeting of the minds" among federal, state, and local people is necessary if cooperative planning is to be successful. The role of each group must be clarified. Vague and meaningless policies should be changed.

Economic development in rural areas must accompany manpower development. This economic development must be realistic, taking into consideration rural life styles, natural environment, human resources, and the desires of the local population.

Although CAMPS has been in existence for quite some time, many local members feel we are just now beginning to develop cooperative planning. Local committees are very hopeful that the progress of the last few months will continue and that results will become more and more visible.

The cost of living in rural America has been great. Because they choose to live there, many rural residents give up their rights to adequate health care, equal educational opportunities, a fair share of highways, and many other "services" available to urban dwellers. The right to participate in tax-supported programs is often denied rural residents because of low population concentration or lack of sufficient demands to provide "economically feasible" training programs.

We in rural America are very hopeful that, through efforts such as CAMPS, conditions can be improved and rural citizens can once again become equal American citizens.

A TOTAL COMMUNITY APPROACH TO RURAL DEVELOPMENT

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Introduction

Community planning often is focused on the program building process rather than on what is happening to the people involved. This occurs whether planning is done by social scientists or economists, for jobs or educational services. There is sometimes little concern for the social context of the people or little understanding of what the by-products of change will mean to them. In other words, not enough thought is given to loss through change as well as gain; not enough attention is paid to the human frustration factors.

This paper has two main purposes. The first is to point out the need for a common community development model in order to devise a more equitable rural service delivery process to maximize resources, both human and natural. The second is to describe such a model.

Since, realistically, we cannot separate the individual from the social and physical environment in which he or she lives, likewise we cannot talk intelligently about rural social planning for human needs without equal awareness of hard materials planning for economic profit. Those who deal daily in the world of tangible results also cannot afford to ignore human factors. The imperative is clear. As a nation we must stop the waste and the pollution of our natural resources. But even more basic, we must more effectively utilize and provide an emotional environment for greater human development.

Our Prior Focus

The need for efficient multiple usage of natural resources has long been recognized in this country. Over the years we have developed the most complex of technical skills, especially in agriculture, and even have made widespread use of waste products. We have learned to recycle: to change the characteristics or properties of certain basic elements with the result that synthetic products have the appearance, texture, odor, taste, and sometimes the sound of naturally produced materials. We have learned to improve on nature and, in controlled environments, have even surpassed nature. But with our most precious of all resources, human beings, we have made few inroads in developing programs or systematic approaches which enable people,

regardless of race, sex, age, or the geographical area of the country in which they live, to develop to the fullest of their potential. We deplore the fact that as a nation we have wasted natural resources with little regard for future needs; at the same time, we have barely recognized the fact that, in a lifetime, the average individual barely taps his or her intellectual or creative capacity.

The potential for original human creative reasoning is almost without limits. Yet, especially in rural areas, in the face of a multiplicity of local, state, and federal community development agencies many still feel restrained and held down without a decision-making voice. Included in these vast numbers are the poor, the nonwhite, women, the old, and recent newcomers. Their feelings reflect the fact that they are neither related to nor personal friends of those in power such as the bank president, judge, or sheriff. The result is that the very nature of our rural systems within systems, which exist for the purpose of meeting needs, are often the barriers of resistance in service delivery.

In the past, the two main parts of every community--people and environment or put another way, natural resources and human resources--were seen as separate entities without much relatedness as far as joint overall community planning or development was concerned. Although kept separate in community planning, there was nevertheless some conscious awareness of the influence of social determinants on individual psyches, and documented evidence that resulting behavior reflects a combination of external stress and internal ego mechanisms of defense. But, until very recently, planning programs have not tended to reflect these facts.

The New Challenge to Community Planners

Today, as a result of the increasing human and natural resources consciousness sweeping this country, community enterprises, both social and profit oriented, are faced with a three-fold problem situation. On the one hand, every community organization--governmental, educational, or private--must meet the requirements of anti-pollution laws and the need to preserve natural resources. Secondly, they must continue to meet the requirements of their own reasons for existence: community service planning, education, or the manufacturing of products. And thirdly, every organization must become increasingly aware of human resources and of its obligations to meet human needs. It is not enough to offer employment. The employer must be concerned for the well-being of employees and must be aware of how employment creates human stress

factors, especially when industry is introduced to rural areas. The human aspects of employees, their potential, the waste of human talent, and psyche energy must all be concerns for the business employer. Such factors are as important as his present concerns for the natural resource potential, the availability of material resources, ease of transportation, marketability and disposal of material waste. Likewise, those concerned with social planning to meet human needs must see those needs in relationship to the physical aspects of the total community. Natural resources and economic development must also be included in planning for emotional needs.

Undergirthing of Community Services

Before identifying the structure I call the undergirthing of community service, I will define service. For this paper I am classifying every process within the rural community or geographical area as some sort of *provided service*. For example, a local industry offers the service of employment and the service of the product it manufactures; a school offers the service of education, but it, too, offers the service of employment.

Every service involves a product. For General Motors, the product obviously is automobiles. For a school, a hospital, or a social service agency, the product or the reason for being in business is the point where the service offered intercedes with the recipient. The school is in business to educate but its product is the educated student; so too, General Motors is in business to produce cars but only so long as there are buyers for cars. A manufactured product has meaning only when it is interceded with a receptive person: the buyer for the car, or in the case of a school, the learner.

Every service uses resources both natural and human. Some services require more of one than the other. Undergirthing the existence of community services are two supporting pillars: *human resources* and *natural resources*.

Figure 1 shows how service makes use of resources, human and natural, and the benefits and losses to the resources.

Natural Resources Undergirthing Community Services

When we examine rural areas we find that a more accurate assessment of the assets and liabilities of natural resources has been made than of the strengths and weaknesses of human resources. For example, we became concerned with energy and space as we moved into the atomic

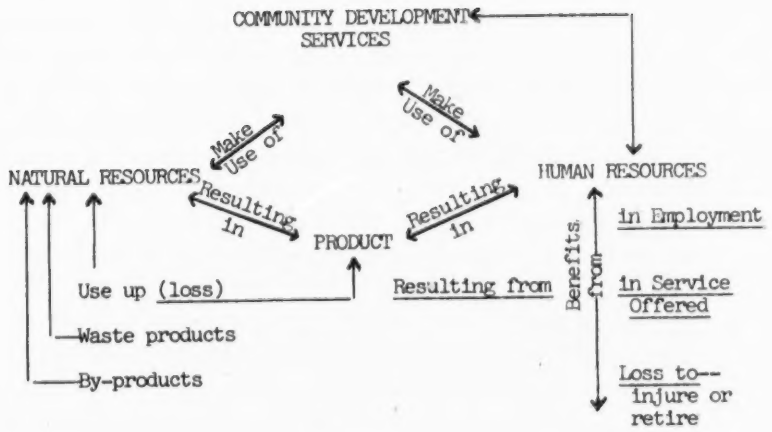

FIGURE 1

age, but we neglected to recognize we were also creating an age of human anxiety. Too many demands upon human beings without recognition of basic human needs tend to break down the ego boundaries which protect the integrative capacity and adaptive responsiveness of the human spirit. Without such protection, individuals have severe problems coping with stress.

While planners charged with the integration of community programs have some awareness of this, not enough careful consideration has been given to how the present simultaneous, multiple, discordant demands affect people. There also has not been enough attention to how human beings respond physically and emotionally to such demands when influenced by their skin pigmentation, social class, sex, age, culture, or geographic area.

Human Resources Undergirthing Community Services

As a country we tend to be more understanding of the time and effort which goes into a scientific analysis of the effects of chemicals on the properties of certain elements or in "working out the bugs in a new product" than we are in understanding human interpersonal relationships. We tend to suggest instant cures for human needs and apply programs without carefully evaluating the people for whom the plan is designed or studying the reasons why such plans failed in the past.

Scientific appraisal of our natural resources has given us data

analysis and carefully controlled evaluations on mineral deposits, water supplies, and forest products. On the other hand, while there are data about human behavior and family dynamics, most of what we have, especially relating to the rural poor, do not go much beyond impressions and antidotes. We must learn how to enhance individual self-esteem.

Zaleznik stated it well:

> An individual's sense of self-esteem is a product mainly of having achieved gratifications at appropriate periods in the life cycle followed by the capacity to move on in facing new challenges in development. Failure in gratification and the inability to renounce satisfactions no longer appropriate for the particular period in life reflect and grow out of depletions in self-worth.[1]

To ensure individual growth, a new pattern for community planning should be considered.

Community Development Model

The second part of this paper is a Community Development Model which I suggest be used in total community service planning--human planning as well as industrial profit planning. Table 1 shows its various stages.

This is a "bobtail model" of the community development process spelled out in stages to provide for study or appraisal of community needs from which goals are developed. The goals are to be at three levels: 1) maintaining the status quo, 2) closing gaps in present human needs, and 3) maximizing human and natural resource potential. The model requires that consideration be given to the possible results or effects for the community (losses and gains in terms of human resources and natural resources) if and when the goals are met or even attempted. Out of this careful appraisal comes an evaluation of the community resources (both human and natural) needed to meet goals. Such planning must be within a timetable of short, intermediate, and long-range goals. From the beginning, this plan calls for assignments of responsibilities. Not only must there be assigned responsibilities for carrying out the plans to meet the needs, but responsibility for the evaluation of how well the original needs are met, what new goals should be developed, and by whom must also be determined.

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[1] *Abraham Zaleznik, Human Dilemmas of Leadership, (New York: Harper and Row Publishers, 1966), p. 100.*

Table 1 — Community Development Model

Community Approach	Needs and Available Resources	Goal Development Stage		Means of Meeting Goals Stage			Implementation and Evaluation Stage	
What the Community Hopes to Accomplish	Present Situation	Change Necessary	Effect of Material and Psycho-Social Change: Loss / Gains	Resources Necessary	Cost Factors in Time, Money Psycho-Social Demands	*Time Schedule	Responsibility: Private	Gov'ment
To Maintain the Status Quo Human Resources Natural Resources								
To Close the Gaps in Present Human Needs Human Resources Natural Resources								
To Grow Toward Human Potential and Natural Resource Potential Human Resources Natural Resources						*short range intermediate range long range		

While the primary conceptual thrust of such a model is the environment of the community, no service can ever be realistically considered without viewing persons in their situations. This brings into play the basic variables in analyzing personalities.

(1) Internal aspects of the person--internal stimuli.

(2) External environmental stimuli.

(3) Reaction which results from the: interplay of the individual and the stimuli or situation.

One of the advantages of looking at all the problems or needs relative to the total community prevents the sort of thing that so often happens when a change is made in one community system without considering its consequences to others. A law or policy to protect one area may create barriers or be used in a punitive way in another area.

A case in point concerns the way anti-pollution laws are being used in some rural areas where local politics have entered the situation. Special consideration, usually by ignoring known pollution, is given to larger and more influential companies, while legal action is taken against newer or smaller operations.

> Recently in a southern state two cows in a pasture which was bordered on one side by a river, died of poisoning. Six miles up-river is a small metal plating operation which had limited capital but did provide employment for several physically handicapped and minority persons. When the death of the cows was discovered, an injunction was obtained against this company closing them on the charge they were dumping untreated waste products into the river. The major complication is, not only does this plating operation dump waste into the river, but so does the community of the county seat, and thirteen other manufacturing operations of various sizes within a ten-mile stretch along the river. Three of the industries which are making use of poisonous chemicals are located within three miles of where the two cows died. But because they are large and politically very powerful in the state no charge has been made against them nor are any such charges planned in the foreseeable future, according to the county officials.[2]

There is no question that water pollution must stop; but the real question facing community planners is how to make all parts of the rural community equally responsible and, therefore, equally committed to finding a solution.

While rural areas have certain commonalities with other rural areas, each has differences depending upon its geographical location and

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[2] *From personal interviews.*

cultures represented. Nevertheless, there are special needs in all rural areas which make them quite different from urban areas and which makes a total community approach to planning very important. Most rural areas have:

(1) A lack of visible leadership and sometimes even a lack of the customary community structure. Although both leadership and community structure are present, they may take an entirely different form than in an urban area.

(2) A cultural reluctance to delegate. Each individual considers himself or herself equal to anyone else and, therefore, capable of handling his or her own representation. There may be strong distrust of anyone who is willing to play a leadership role. The expectation is that such a person will be dishonest or will use the position for self-gain. In many southern counties, poor whites feel they are without leadership representation and lack a voice in the power structure. They also often feel that programs are slated to Blacks and that the early network of cohesive contacts between Blacks in different parts of the country (which came from Blacks needing to look after Blacks) has allowed for a greater degree of leadership than that found among poor whites who may have had less contact with each other.

(3) A power structure that is not representative of the rural population but rather is the instrument of a control group who may not even live in the area. What this type of power group wants and what the poor of the area need are two different things.

(4) Inadequate funds to employ technical experts.

(5) Difficulty in finding experts who understand the specific needs of the area and know how to communicate with the people involved.

(6) A cultural reluctance to accept as an authority anyone who comes from outside the area and does not have roots or kin in that particular community. The more isolated the area usually the more hesitant to accept the leadership direction of a stranger unless highly recommended by someone who is known and trusted locally. The person-to-person approach is very necessary.

(7) A special meaning for the phrase "sharp local boy" from a "prominent but poor family." Such a categorization gives acceptance to local leadership while limiting or controlling leadership because "everyone remembers him when he was a smart aleck kid."

(8) Informal transmittal of information. Meetings with agenda and reports are usually not the means for rural community planning or decisions. Policy is made between individuals outside of meetings. Few community decisions are made in the mayor's office or in the council chambers but are likely to be made in a barber shop, at a general store, in the back room of the pool hall, at a church supper, at a basketball game, or in a private home.

(9) Few growth points which might be used to attract new sources of employment.

(10) Underdeveloped educational systems and usually limited health services which may make it hard to attract business or industry.

(11) Lack of citizen involvement in decision-making. In many rural areas all decisions have been made by one family, by the major employer such as a mining company or mill, or by one church group. People may not expect to have a part in the decision-making process or they may not be able to break through and find leadership who can influence those in the power structure.

Rural areas that have lost strong paternalistic leadership from a controlling mine, mill, or plantation system have experienced further problems when inexperienced residents were unable to provide needed leadership.

Ball discusses such a situation in the Southern Appalachian coalfields: "The frequent result was opportunism; those with selfish interests were able to operate unchecked by countervailing forces, since (in those cases) the political forces that have 'taken over' do not have the same degree or kind of power as the coal companies had maintained. . . they have been unable as individuals to generate sufficient power base to give a sufficient political force to meet the problems of the area."[3]

Because most community planners originate from a common discipline or have similar frames of reference, they often have not seen community planning from the position of those whose responsibilities or way of evaluating events are different. For example, rural residents in many southern areas, accustomed as they are to operating through personal contacts and in private sessions, often interpret community action ideas as publicity seeking. It often is not their approach or culture to confront. Weller points out that, "Subjects that might engender conflict are not discussed."[4] Interpersonal relationships, especially within the family or neighborhood are so important in the rural folk culture that nothing must be done or said that in any way might threaten that relationship. People from this sort of an experience have difficulty accepting criticism because they tend to regard it as a personal attack. The rural leader who has lived with the local problems for

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[3]*Richard A. Ball, "Social Change and Power Structure: An Appalachian Case," in Change in Rural Appalachia: Implications for Action Programs, editors, John D. Photiadis and Harry K. Schwarzweller, (Philadelphia, Pennsylvania: University of Pennsylvania Press, 1970), pp. 157-158.*

[4]*Jack E. Weller, Yesterday's People, (Lexington, Kentucky: University of Kentucky Press, 1966), p. 79.*

many years is less inclined to accept crash programs and is more prone to gradualism. Such a local person often feels the new community planner or outside consultant is pushing too hard, even when such pushing may be to bring new jobs to an area.

We must also recognize that many county and local leaders see the newer network of community action agencies or programs as a threat to their autonomy. Having built much of the meaning of their lives around their positions of local social influence, they react with resentment when outside interference seems to threaten this standing. Likewise, local politicians and business persons feel they were elected to planning boards "to get things done"; they also see board members or staff in social service positions as individuals who are under no pressure to show tangible results. They may be impatient with what they see as a "too soft humanistic approach." In turn, those whose major concern is the social functioning of people, especially poor minorities, see these prominent business leaders as too narrowly dogmatic.

These two extreme views are often expressed in discussing the poor. Those who must show a margin of profit on every transaction may view the poor as individuals incapable of handling the decision-making process because their personal problems were produced mainly by their own "poor management."

In order to understand the total needs of a community, all aspects must be considered along with needed changes.

Anyone involved in rural community development should understand the:

(1) conditions for change;

(2) process involved in implementing change; and most important of all,

(3) effects of change on individuals, families, and communities involved in the process.

Verhaalen, writing for extension workers, points out, "The concept of change demands a recognition and respect for the process of social and cultural diffusion and, moreover, a working acquaintance with some useful change models."[5] He goes on to say, "one must also take into account certain social-psychological themes or local-value norms. . .

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[5]*Roman J. Verhaalen, "Programs of Directed Change in an Era of Social Reorganization: The Case of Extension," in Change in Rural Appalachia Implications for Action Programs, editors, John D. Photiadis and Harry K. Schwarzweller, (Philadelphia, Pennsylvania: University of Pennsylvania Press, 1970), p. 189.*

(and) must be able to objectively suggest ways of blending these with the cultural norms of the larger society, if they are to serve an effective educational role in the political process."[6]

Summary

As I stated early in this paper, those responsible for rural development planning too often are so involved in the process of change they have little awareness of what change does to human ego boundaries. While the limits of this paper do not provide time to discuss the meaning of individual change, I would like to stress that it takes experience and time to understand families and individuals within their social context. It takes even more time to acquire skills in communication, diagnosis, and intervention into the needs of rural cultures. But it is absolutely critical for rural community planners to understand the people and their needs before a meaningful service can be offered. Anything else is superficial and worse than nothing. A good deal can be learned about a community by examining community structure, but even more can be learned by meeting with community organizations at a point of intervention for persons in need of a specific service such as employment. There is, however, a critical difference between community planning as it exists in the viewpoint of any agency (private or governmental) and as it exists in the reality of the persons in need of services, especially poor individuals or those handicapped by limited educational training or a lack of work experience.

The productivity and emotional health of any community depends upon the appropriate interaction and balance of all elements, components, and systems--those related to human aspects as well as to natural resources. Productivity and human self-esteem also implies involvement and commitment of all people: those in need of service as well as those who offer service.

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[6] *Ibid.*

DISCUSSION OF SESSION V

Robert McPherson

I would like to open the floor for a couple of questions. I'm sure that we can do that, and not modify too greatly the next presentation. If you have questions, please identify yourself if you would so that the panel participants will know who you are. Address your questions to a particular panelist.

Conley Kemper

With no intent to embarrass, I'd like to ask Mr. Smith about the four success stories that he told. Would they have taken place without his planning board doing the planning? In other words, by their own agency momentum, would they have been put into function?

James Smith

At the local area level, we're not really convinced that CAMPS is on the move upward. We're still fearful that we're in the same trap that we've been in for a number of years at least, and are afraid these were just accidents that occurred along the way.

Audience Member

If we give more autonomy at the local level and fewer guidelines at the higher levels, what is this going to do to minority group participation in various manpower programs? Will this increase or decrease participation?

Jo Jackson

Bob and I had some discussion about this, and I think Myrtle Reul's remarks were very timely. Those of us who work in this are very concerned about people problems. Unfortunately, we spend a great deal of our time in administrative, managerial, technical types of activities. I think you are voicing what I would say has been a fear of some of the Washington people. As a matter of fact, Senator Taft of Ohio brought this question up when the governors of the group appeared before them. If you give the authority and responsibility to local elected officials and to the boards that are created, will they be honest and sincere in representing the people who have the greatest needs, such as minorities? We haven't tried it, so we don't know. We're hopeful that they will.

Audience Member

We have tried it. We have had all kinds of programs at the local level, and by and large, minorities are left out.

Jo Jackson

In the participation of the planning process, or in the employment program?

Audience Member

Minorities have been left out of public programs in general.

Jo Jackson

We found this was entirely true with the public employment program. County judges with significant minority populations within their counties have to rely on those minorities for votes. There were some who blatantly violated the intent of the Act, to use minorities, but there were also some pretty good reports. This has been our only real experience in manpower with this sort of thing.

Cora Cronemeyer

I wish to address my remarks to Mr. Smith. You spoke of client representatives who haven't come from a background where people go to meetings, and who don't know how to participate in those meetings. At the beginning of my career, I was a secretary in the Industrial Department at the YWCA. We organized clubs for factory girls and household employees. One of our aims was to help girls who didn't know how to speak up in meetings to acquire this ability so they would know how to express their ideas and accomplish their objectives. Some of the girls we trained became quite vocal and were able to go to the state capital and give testimony about what they thought of the minimum wage legislation and so forth. I was wondering if you had contacted anyone from YWCA or any agencies which work with developing group dynamics?

James Smith

We have made a few contacts along this line. The Extension Service does a considerable amount of this, and 4-H clubs also try to develop leadership skills. But it just hasn't worked well enough yet. One of the problems is distance, when you have a house here, and the next house is a half mile away, group action becomes a serious problem. Even when these people go to town once a month, they're talking about going to a city with a population of 150.

E. E. Bonham

We have not been able to get client groups and minorities to participate, unless we have funds to pay for such things as babysitting and transportation. If they have a job, we've not found a way for them to participate and still be paid for their time. Is there any way that this can be managed?

Ben McGimsey

I'm afraid at this point that I'm going to have to refer you to ICI 74-1. In addition to decentralization, we're also stressing the fact that the administration will try to hold the line on manpower funding, which in effect, means less than status quo. We're having difficulty keeping the grants going that we have right now. And that includes money to the client groups to travel to the meetings, money for babysitting services, etc. To speak quite frankly, I don't think there is any chance that the federal government will finance this sort of thing.

SESSION VI

MANPOWER PLANNING AND ECONOMIC DEVELOPMENT: EXPERIENCES FROM EXPERIMENTAL RURAL MANPOWER DELIVERY SYSTEMS

MANPOWER PLANNING AND ECONOMIC DEVELOPMENT

Sherman Mandt
Concerted Services - Wadena, Minnesota

Based on experiences during the past six years with the Concerted Services in Training and Education Project in Minnesota, it is my observation that effective manpower planning must play an important role as we attempt to develop more jobs to stimulate the economic growth of rural America.

I have participated directly in this planning process as a member of an 11-county CAMPS group, a participant in state CAMPS discussions, and more recently as a member of Governor Wendell Anderson's ancillary planning board for Region 4 in Minnesota.

These manpower planning activities are directly related to my work with local leaders in the Concerted Services area of Minnesota as we try a variety of approaches to further economic development in our four rural counties of Todd, Wadena, Otter Tail, and Hubbard.

Concerted Services is a cooperative federal, state, and local venture. As an interagency project, it is flexible enough to allow the coordinator to pursue rural development through training and education. CSTE helps keep the focus on rural problems and brings to bear the resources of all levels of government in solving these problems. It has helped improve communication among agencies themselves, and between agencies and local groups.

The coordinator often serves as a catalyst in the development process. Local people tend to become discouraged easily when dealing with the complexity of meeting their needs. The coordinator assists in defining problems and studying the alternatives necessary to reach local goals. He offers positive reinforcement and encouragement in stimulating local people to make the extra effort required in developing a better rural America.

Concerted Services helps local people determine the extent of their needs through various types of surveys, personal interviews and informational meetings. As a result of this approach, many local manpower training and community development efforts have been implemented in recent years in our area.

In working with program planning, we try to emphasize that rural communities must be opportunists in using manpower programs and other

government and private aids in a total development program. Flexibility is important in this process.

Local people ask us, "how can we avoid frustration in dealing with government units?" Our answer is that communities must be involved in a variety of development projects in various stages of completion so that emphasis can be shifted from one project to another. If a project is bogged down at a particular stage, it can be set aside and then picked up again at a more opportune time.

We realize that many projects take years to complete and may never have a final stage of development. However, local groups cannot function effectively without the incentives provided by accomplishments in short and intermediate plans, in addition to long-range plans and goals.

For example, if you are working with law enforcement training in a rural area, begin with a small advisory committee which does some brainstorming on the present need for upgrading knowledge and expertise.

Often a committee will wish to gather opinions from village officials, police chiefs and sheriffs to further define problem areas. A mail survey would be a short-term accomplishment. The results of such a survey could provide more insight into training needs.

In the event a group of 15 or 20 law enforcement officers in an area show need for more training in traffic control, search and seizure, drug information, etc., there are a variety of workshops or short courses that can be developed in area vocational schools, junior colleges, universities or state and regional agencies. These would be examples of intermediate stages or goals.

In the long run, the goal would be to upgrade the caliber of law enforcement in a rural area by planning continuous training programs. It is important in this stage to incorporate both action and evaluation processes to keep local officials informed and motivated to build better law enforcement programs.

Regional crime commissions are assisting greatly in focusing on law enforcement needs in our area.

Jobs for Rural Areas

Concerning jobs for rural America, Concerted Services has used a variety of government programs as tools for area development.

Labor supply is always an important question when industry expands

or locates a new plant in a rural area. County manpower surveys conducted by local leaders using the resources of the Smaller Communities Program of the Minnesota Department of Manpower Services have been used to document adequate labor. Published reports from these surveys in three of the four Concerted Services counties have been used extensively to encourage industrial development of the area.

When more specific labor information has been requested, we have found the Smaller Communities mobile team flexible enough to organize and complete a mail survey within a two-week period. This survey identified 750 workers who would be willing to commute up to 40 miles one way to work at a turkey processing plant--if it were constructed. The results helped Swift and Company of Chicago decide to invest over $1.5 million in our area which created some 150 new jobs.

This example involved the local Swift and Company manager at Detroit Lakes, the Otter Tail Power Company, Smaller Communities personnel, and Concerted Services. Representatives of the private sector were pleased with the speed and efficiency used in obtaining the needed survey results. This team approach has been used on other projects as well.

In doing rural development work, we have found that you must be prepared to roll up your sleeves and pitch in with local people. We do not encourage anyone to go after a program unless we can provide assistance or find technical help to do whatever parts of the effort local people are not equipped to handle.

We do not believe in chasing people down blind alleys. Local people have only so much time and energy to spend on community development; it is important that this time be used fruitfully.

Concerted Services has made numerous contacts for local communities. It has assisted with some application inputs including statistical and supporting statements, and traveled with local groups to work out agreements with agencies on various programs.

For example, a privately owned sawmill at Menahga was closed in 1965. It was reopened by a local cooperative in 1967 and operated on a part-time basis until 1970, producing only lath and snowfence material. Local leaders felt there was more job potential for the operation if financial assistance could be found. Concerted Services assisted with contacts on an EDA proposal, including two trips with local committee members to the area EDA office to justify the need for money to build a new plant. Eventually $213,000 in loans from EDA and the State of

Minnesota, coupled with funds of the local Menahga Development Corporation, resulted in construction of a sawmill that employs from 25 to 30 persons with a payroll of $125,000 and returns $200,000 annually to area timber growers. Current timber usage at the mill is 5 million board feet each year, and production could double in the future.

In the sawmill project, contacts were made to secure on-the-job training assistance. Also, the State Highway Department was asked to review road restrictions for fuller utilization of the plant. Contacts such as these are examples of ways in which Concerted Services helps to encourage economic development.

Rural Services

In looking at economic development, you must also consider the services available to people in a rural area.

Because Employment Service offices were located more than 50 miles from the center of the Concerted Services area, we worked with local people and the State Department of Manpower Services in starting a one-day-a-week service in our office using a staff member from the Little Falls office of Manpower Services. This has been beneficial to people of the area.

For short periods of time we have helped other community services get started with temporary office space until they were fully accepted in the area and moved into quarters of their own. This included several youth programs, an alcoholism counseling service, and a branch of the Department of Vocational Rehabilitation.

Health service was a high priority item several years ago in our area. Concerted Services assisted local hospital and nursing home administrators form a group that eventually raised money to hire a full-time director for Project RAISE (Regional Approach to Improved Service through Education). We also were involved in special projects on drug education, heart disease, and co-sponsored a diabetics clinic.

More recently, we have become involved with both the Region 4 and Region 5 planning commissions for providing health services to the area.

Local people were concerned that 30 percent of the farmers in the area were low-income. Action was taken to assist these farmers with general manpower programs and special irrigation training classes using MDTA funds. Our approach has been highly successful in helping this group of farmers achieve a higher standard-of-living.

For example, the irrigation class is in its fourth year at the Staples Area Vocational School using funds from the Rural Minnesota CEP.

To date, 59 farmers have completed the program with 45 actively irrigating some 2,110 acres in the area. Twenty-six members of the first three classes have gone on to intensive farm management programs.

Encouraged by the results of farm training and the economic impact on these farms, a working group called the Small Farm Advisory Committee was formed in 1970. Farmers, agribusinessmen and local agencies meet once a month to spearhead activity. Sessions have been held with 40 area bankers, University of Minnesota specialists, the state ASCS committee, and implement dealers to increase awareness of small farm problems and to request that certain types of action be taken. Members of the committee even raised money to send their chairman to Washington, D.C., to testify at the REAP hearings in April, 1972. This committee is long-range in nature and dedicated to future strengthening of our area.

We are fortunate to have one of the best rural CEP programs in the United States. It has been very instrumental in providing training and finding jobs for area people at the relatively low cost of $2,872 per placement. Last year they placed 613 persons. Quality of job retention has been high with 82 percent remaining employed after 60 days of work. A representative of the CEP unit does counseling at the Concerted Services office once a week.

One of the strong features of Concerted Services has been that we maintain an extensive file on current government programs and help rural people realize the potential and limitations of these programs. We do not impinge on areas for which others are responsible, but the longer we work in the field of manpower training and job development, the more we appreciate the capabilities that each agency has for making a better rural area.

In conclusion, I would emphasize that there are still many voids in training and economic development in the rural area, but I firmly believe the basis being formed for effective manpower planning in rural Minnesota will lead to greater opportunities in the years ahead.

OPERATION HITCHHIKE, MANPOWER PLANNING, AND ECONOMIC DEVELOPMENT

James H. Booth
Michigan State University

Operation Hitchhike (OH) attempts to design contracts between existing rural institutions and state employment services to bring better manpower services to rural areas. Economies which seem to justify this procedure are: 1) program administration, 2) access to established audiences, 3) shared facilities and staff, and 4) new methods of reaching the audience with manpower assistance. In most states the cooperating agency is the Cooperative Extension Service. There are some interesting alternatives: the Nebraska Farmers Union coordinates a network of volunteers; a community college base is being tried in North Carolina; the Navajo tribe is an operator in New Mexico; and a project is being proposed with the Air National Guard in Alaska. In each state, the agency relationships and program objectives have been developed differently.

Applicant Referral Capability

Common to all Operation Hitchhike states is the basic applicant registration, referral to training, and referral to job capability. The primary responsibility for this work may be with an employment service representative as supported by the cooperating agency (such as in Michigan), or primarily with the cooperating agency (as in Idaho). The registration and referral service in Michigan operates out of a Manpower Service Center, a rural unicenter.

Let me define this unicenter concept. Rural areas frequently have available manpower program resources such as Social Service caseworkers, itinerant Employment Service interviewers, Department of Vocational Rehabilitation representatives, and Expanded Nutrition aides. But these resources are inefficiently provided through itinerant service formats, or, if local, they are fragmented. Administrative overhead is high, isolation is great, staffs are office-bound, coordination is difficult, and the public's understanding of program differences is blurred. Consolidating these programs into the unicenter, each maintaining one or two staff positions, produces informal information exchange and coordination and the mutual support between programs typical of small town life. While no one program could afford clerical help, by consolidating programs the unicenter is able to employ a

clerical staff member. We believe the rural manpower unicenter to be a good source of the operational efficiency rural services search for.

Employer Benefits

With Operation Hitchhike's interviewing and referral capability, placements can be made in hard-to-fill positions in rural communities. Sometimes such highly skilled or specialized positions require innovative outreach to find the few appropriate candidates. Some of these hard-to-fill positions need to be made competitive in wages, job requirements, or working conditions, requiring a very skillful approach by the referral unit. On-the-job training contracts have been used as an important resource in filling hard-to-fill positions. Failure to staff these positions may result in the loss of an otherwise viable firm for the community.

A second benefit is the reduced length of job vacancy. The sum of a few days of work on a number of jobs equals a sizeable increase in labor income to the community.

A quality referral capability should reduce the turnover rate. Another benefit is applicant screening assistance for the smaller employer. If he publicized his vacancy, he would be deluged with job seekers or job information seekers.

Labor Market Information Uses

Employers are not the only ones who benefit. Operation Hitchhike also makes job search activities more efficient for the applicant. Besides the costs in time and self-confidence, job-seeking travel in a rural community can be expensive. In Allegan County, welfare recipients were paying neighbors to drive them to a town 25 miles away to register for work.

Michigan Operation Hitchhike Manpower Service Centers are a direct provider of referral services to applicants. They also make other impacts on rural development. In fact, we believe these other activities are squarely on target with the intent of the Rural Development legislation of Section 502a (p. 17).

> Rural development extension programs shall consist of the collection, interpretation, and dissemination of useful information and knowledge from research and other sources to units of multistate regional agencies, State, county, municipal, and other units of government, multicounty planning and development districts, organizations of citizens contributing to rural development, business, Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups, or industries that employ or

> may employ people in rural areas. These programs also shall include technical services and educational activity, including instruction for persons not enrolled as students in colleges or universities, to facilitate and encourage the use and practical application of this information.

This work, in what we call the information entrepreneur and employer development, is handled by extension manpower agents and program assistants.

Major sources of information include: local surveys, summaries of applicant files and vacancies, information prepared by state employment service analysts, census data, and various national data such as the Occupational Outlook Handbook, research reports, etc. Local data present the most obvious gap in the information network, and here the delivery of services complements the information user role.

A major activity which uses manpower information is community education. Radio programs, slide talk programs to local audiences, and newspaper columns are all utilized to bring the manpower problems, programs, and relevant information to the public's attention.

A second use of information is the support of career education programming in public schools. Ray Marshall mentioned the need to upgrade rural schools. Our manpower agents found school personnel typically lacked knowledge of the range of products, occupations, employers, entry wages, and job qualifications present in the community. We have started a flow of this information to the schools for their use in curriculum planning and counseling. One such piece of information is a community resource manual which lists the ranges of employers, products, and occupations. It was interesting that, while each class predicted almost all graduating seniors would leave the county, most of those not entering post-secondary educational programs did stay and work in their hometown areas.

Our manpower agents and placement specialists have worked directly with students. In particular, the Job Bank viewer has been an effective classroom tool, combining technology and information of interest to students. Job vacancies, themselves, are not as important as general wage rates and entry qualifications.

Another valuable use of information is to let agencies such as the Department of Vocational Rehabilitation, Social Services, and Expanded Nutrition aides know of the specific vacancies, job qualifications, and wage rates. Without specific information these caseworkers and counselors were hesitant to develop a manpower orientation.

With accessible and specific information, their responses can be relevant and meaningful. Program interaction between manpower and these agencies has occurred.

Local information is necessary to manpower planning activities. We help assemble and furnish local data. Through planning councils and sub-councils, our manpower agents help organize rural participation to increase rural manpower program interests. A reallocation of Neighborhood Youth Corps positions was achieved in the Grand Rapids area council. However, the success of this experience was perhaps debatable, since a great deal of energy was expended on decision-making and, in the end, there was no real authority to implement recommended reallocations. This left the council with an "it's-mostly-a-show" feeling, unclear of the inputs and seriousness of effort available for the next round of planning.

In any case, the Allegan County representatives on the committee were involved in meetings to help local interests consolidate their positions and to discuss programming for rural areas. These meetings were useful in local coordination of program development and in educating the county commissioner representatives.

For some reason, Sanilac County representation on their planning unit has not been obtained. Frequent communication with the Ancillary Manpower Planning Board (AMPB) has occurred and local nominations have been submitted, but no action has resulted. We consider the governor's staff in charge of planning a complementary resource, not a competitor; but I'm not sure of their feelings. The emphasis on local decision-making and use of labor market information by extension agents may be viewed as competitive by central staff planners.

Another rural development use of labor market information involves giving presentations to firms considering certain areas for relocation. In one case, a wage rate survey was made to establish competitive wage rates for a new manufacturing firm. The firm then used this information as a basis for their wage scale.

In Sanilac County, a prospective employer contacted a local businessman and was given a very adverse picture of the potential labor force at his wage rate. He tentatively decided to locate his distributing company elsewhere, but before doing so contacted the local extension manpower agent. The agent surveyed applicant files to identify potential employees, reviewed recent placement experiences, and arranged additional employer contacts. The prospective employer found,

his business contact hired from a different strata than he, the information he received earlier was incorrect. He reversed his tentative decision and his firm will be locating in Sanilac County.

Economic development planning, like manpower planning, is also supported by working with local organizations and assembling data for local planning.

A major economic effort in Michigan is geared towards keeping the industry we have. Our state is a major target for industrialization efforts emphasizing competitive relocation. We feel the system of local labor market information weaves Michigan's industry into the community; specifically the career education programs in schools and the local manpower system. The program reinforces an employer's linkages to the community and emphasizes the responsiveness of the community to the employers' needs.

Employer Management Development

The third area of the Operation Hitchhike manpower agent's activity is employer development. This is more substantive than merely routing job orders through the referral service. Its main concern is growth of management capability. The basis for this activity is a series of Cooperative Extension workshops that enable managers to interact with employees more effectively in setting objectives for work, assigning work and responsibility, and rewarding and disciplining performance. While workshops have been held before, they were not usually *conducted* by persons with industrial backgrounds and responsibilities who could follow-up with individual managers of public or private firms. Extension work has historically emphasized increased productivity from improved use of technology and capital. Now, Management-For-Profit programs emphasize management skills for the effective use of labor inputs.

Some specific rural development impacts from the Managing and Motivation for Profit workshops, and the consultations with management of rural firms are: improved productivity to increase firm viability and wage payment capability; reduced personnel turnover from poor management and supervision; and help for existing personnel to move into manager and supervisor roles so these positions can go to rural residents rather than newcomers.

It is important that rural development and industrialization have capabilities beyond simple plant relocation. Many rural firms are marginal because of poor management; moreover, many of the plants

that move to rural areas are marginal. We have stopped referring applicants to one new manufacturing plant because of its high turnover rates from poor working conditions and poor supervision practices. Placements in this plant had quit their jobs because they were afraid of the machinery. A recreational vehicle manufacturing plant has had to replace 60 of its 170 employees in a single month, including the manager's brother. Both plants have backed out of the management training workshops because operating pressures were too great. Because the ice is so thin, they have had to keep moving fast or fall through.

How has employer development worked? We've taught the workshops in Michigan and out-state counties as often as time has permitted. After one such workshop, a local elevator manager asked our agent to review his specific situation. The agent and manager met with the plant board of directors, and a decision was made to revamp their entire management system. Our agent agreed to help and the process is now underway.

A tool manufacturing plant asked us to design and deliver a series of one-hour per week workshops for their first-line supervisors. They also asked us to arrange basic education in communication skills for supervisors who were not high school graduates.

We are also designing a management training program for public employers. After our agents had worked with Public Employment placements, rewriting job descriptions and qualifications, the county commissioners inquired about training some of the county employees in personnel techniques. Rural people grow into public affairs management roles with little training. We feel the extension workshop format can appropriately upgrade their management skills.

The OH employer/management development activities are giving our referral service greater access to employers. This access and the manpower agent's interviewing and referral responsibilities should weave together into an effective rural manpower service.

A second benefit of management development concerns the reliance of rural people on on-the-job training or on-the-job learning situations for skill development. Rural areas don't have, or are not likely to have, as good a system of institutional training as urban areas. So human capital must be developed on the work site. We see the development effort as helping employers: become better trainers, obtain upgrading of employees, participate effectively in OJT (on-the-

job-training), and work with cooperative studies programs in the secondary schools.

Specifically, our experience with OJT contracts has been mixed; we write them, but dropouts are high and we're not sure how much training actually occurs. The employer may be willing, but may not have the training skills. We are exploring the use of a "how-to-train" employer development workshop for OJT contractors.

The benefits of employer development may be most important to the relatively less advantaged employee, who has fewer skills to compensate for the confused, inadequate supervision he may face. Good management is required for these disadvantaged employees.

Summary

Operation Hitchhike 1) operates an interviewing and referral capability, 2) generates and uses labor market data, and 3) conducts employer management development. These activities are highly complementary and, we believe, basic to rural development.

The Cooperative Extension and employment services both have been criticized for their failure to respond to people's problems. The unique Operation Hitchhike integration of the Extension Service's operating base and the informal education or use of information in Cooperative Extension Service methods gives much strength to Operation Hitchhike activities.

MANPOWER PLANNING AND ECONOMIC DEVELOPMENT: AN EXPERIENCE FROM EXPERIMENTAL RURAL MANPOWER DELIVERY SYSTEMS IN GEORGIA

Millard L. Blakey
Rural Development Center - Tifton, Georgia

Georgia's Rural Development Center is a new educational unit of the Regents of our University System. The educational program of the Center is directed toward full development and utilization of the social and economic potential of the State of Georgia and adjacent areas.

To accomplish this overall objective, we are organized along four major developmental thrusts, or supporting objectives, namely:

(1) To increase agricultural and forest production efficiency.

(2) To advance development of marketing and product utilization.

(3) To assist in community developments and solutions to societal problems.

(4) To further manpower training and promote optimum utilization of available human resources.

In addition to our director and program specialist who are both concerned with all phases of the Center's endeavors, we have a leader, or coordinator, for each of the four thrust areas. I am the coordinator of manpower training and utilization or what could, perhaps, more accurately be called "the human resource development thrust." We do not view any one of these thrust areas as mutually exclusive or otherwise independent of the others. On the contrary, we constantly strive toward "putting it all together" for total development.

As you may be aware from your own experiences, it is one thing to outline developmental goals but quite another to attain them. With this in mind, let me make it clear at the outset that we claim no magic formulae or prescriptions for use in rural development, but we are trying some new and innovative approaches which might have implications for use by any group attempting similar people-process feats in rural areas. More specifically, my purpose here today, in keeping with the general theme of this meeting, is to share with you one of our experiences thus far with an experimental technique—Concerted Services in Training and Education—which we are employing toward meshing manpower development with economic development in depressed rural areas.

Early in 1970, and only a few months after initiation of the

Rural Development Center concept in Georgia, we learned of this new and exciting idea for providing rural citizens more nearly equal access to federal domestic assistance. Concerted Services in Training and Education (CSTE) had, at that time, already been tested and shown to have merit in pilot impact areas of Arkansas, Minnesota, and New Mexico. Even a cursory examination of Griessman's evaluation of these pilot programs convinced us we should test the idea in our rural areas.[1] Hence, to make a long story short, we applied for and obtained a pilot CSTE program in a four-county area in South Georgia.

Almost immediately upon assuming his duties, Allen Bower, our CSTE Coordinator, started working with concerned citizen groups, private industries, and public service agency personnel of his area on a long-range manpower-economic development program.

Known as the Satilla Area Reforestation Program, this *concerted* effort has evolved in recognition of some very important facts about the potentials of this particular geographical area and its surroundings:

(1) Timber is Georgia's most valuable renewable natural resource with a total contribution to the state's economy in excess of $1 billion annually.

(2) The forest industry in Georgia is now the state's second largest industry--second only to textile manufacturing.

(3) In the 1960s, Georgia's forests supplied the timber needs of almost 15 million people or about 11 million more than our own state's population.

(4) Demand projections for the year 2000 show an increase of 80 percent in the amount of wood which will be needed in the U.S.A.

(5) Georgia leads all states in private ownership (nearly 200,000 people own 78 percent of the commercial forest land in the state) and these private owners lead the nation in tree planting.[2]

Yet the demand for timber is slowly but surely exceeding the supply in Georgia as elsewhere. In the five-county Satilla River area, for example, only eight cords are currently grown for every ten cords harvested. The result is that an ever-increasing number of acres are

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[1] B. Eugene Griessman, *Planned Change in Low-Income Rural Areas: An Evaluation of Concerted Services in Training and Education*, (Raleigh, North Carolina: Center for Occupation Education, North Carolina State University, 1969).

[2] Georgia Cooperative Extension Service, *Forest Management Short Course*, (Landowners Manual), Revised 1970, pp. 1-3.

being denuded and relegated to little more value than simply helping to hold our planet together. Not all is laid waste, of course, since the larger, more affluent landowners--paper, pulpwood, and lumber companies--and the federal government reforest lands under their control. But, the tracts which belong to small landowners (10 to 100 acres) are not, by and large, being reset and nurtured. Owners of such tracts cannot afford to reforest because of such blocking mechanisms as heavy ad valorem taxes on timber inventories and a critical shortage of credit and other operating funds for long-term capital ventures. In other words, these small landowners are finding it economically unwise and/or financially impossible to prepare their sites and plant seedlings on many cut-over tracts.

Under these circumstances, smaller landowners in the Satilla area, encompassing the four-county CSTE impact area, were faced and are faced still with some rather crucial decisions. They could convert to row crops, but they have learned through experience that small farmers cannot successfully compete in today's markets with large producers. They could go into livestock production, but again the competition in open markets is stifling. They could sell or lease their lands, but this could and probably would lead to what some consider a fate worse than death—moving away from their beloved environs. Moreover, the sale or lease of their lands might bring more and more external control over their communities and life styles as well as drain the life blood of local economies by siphoning off profits to stockholders and other controlling interests outside the area or even outside the state. Finally, they could work together (with the help of local public service agencies and private industry personnel who are interested in their welfare) toward locating and obtaining the capital needed for such long-range investments.

Of those alternatives, the last one cited had the most universal appeal. Thus, the idea caught on rapidly areawide, and there is now an on-going effort to obtain low interest, long-term loans and/or subsidies which will make it possible for every interested small landowner to reforest denuded, nonproductive land.

This concerted effort, which involves a host of landowners, interested citizens, public service personnel, bankers, and representatives of private industries, is attempting to implement the areawide reforestation program along two fronts--economy and labor.

First, funds are being sought through federal and state agencies

for a continuing program. To date, each of the five counties in the Satilla area has been allocated about $15,000 through ASCS for use in subsidizing site preparation and reforestation on plots of 10 to 100 acres for each landowner who qualifies for assistance. Preparation and planting costs run from $45 to $85 an acre, of which the landowner pays $25, with the remaining costs subsidized by ASCS. Thus far the average cost per acre has been $50, with a federal subsidy of about $25 per acre. Therefore, it would seem reasonable to estimate that provisions have already been made to reforest approximately 600 acres in each county for an areawide total of about 3000 acres. This may sound like a lot of pine trees, and it is--over 1,800,000 seedlings—however, there are some 343,000 acres to be prepared and planted in the Satilla area. *The project has only begun.*

What does all this mean in terms of the economy? It has been conservatively estimated that within the next two decades the 3000 acres already planted will yield 50 cords per acre, which will be sold at $32 per cord for a total of $1600 per acre. Of this gross yield, approximately $400 per acre will go to federal income taxes. Accordingly, the federal government's original investment of $40 per acre will yield $400 per acre in taxes or approximately 12.25 percent annually compounded interest on the investment. Some people squirm at the mention of "federal subsidies," but with that sort of projected return on an investment of taxpayers' dollars, we wonder who is subsidizing whom in this project![3]

As to the impact on the local economy, we can readily see from those estimates that, aside from keeping lands in possession of the affected landowners and thereby "keeping them down on the farm," well in excess of $1000 per acre will be pumped into the local economy in one form or another. If, therefore, we succeed in reforesting the entire 343,000 acres, the Satilla area economy and its surroundings stand to gain in excess of $300 million from the project. This boost to the local economy will occur gradually inasmuch as thinning of forest stands and associated sales of cordage normally occur anytime after a growth period of 12 years.

Turning to the manpower developmental aspects of the program, we have already experienced increases in areawide demands for

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[3]*Letter to Senator Herman E. Talmadge from Charles E. Williams, Wood Manager, Interstate Paper Company, Riceboro, Georgia, March, 1972.*

additional labor. Sites must be prepared, seedlings must be set, and on-going increased activity is needed for fire protection and control, disease prevention and treatment, trimming of the growing trees, removal of underbrush, and otherwise attending the new forest. More specifically, just the preparation and planting of the 343,000 acres will require in excess of 300 man-years of labor. Within the Satilla Area, 67 forest businesses currently employ 1,016 people to process and supply specialty items and a like number of harvest forest products. Wood from these five counties alone constitutes raw material for forest businesses which employ 8,000 people. All this new activity will generate, over the years, a multiplying effect on demands for labor. At harvest time, to exemplify, additional trained people will be needed to harvest, process and market the pulpwood, lumber, and other wood products. This, in turn, will prompt increased activity--locally and elsewhere--in business, industry, and in society in general.

This increased, widespread, extensive manpower-economic development activity cannot take place completely until the 343,000 acres are reforested. At the rate we are going--3000 acres annually--it will take a century to complete the program. However, there is impending legislation which, if passed, will provide the impetus we need in the Satilla area to complete the program posthaste. From our viewpoint, one of the most important features of this proposed legislation is it would make possible federal financing of 80 percent of the owner's site preparation and planting costs up to $40 per acre, and up to 500 acres per owner per year. Obviously, such enabling legislation would eliminate the necessity of piecemeal approaches to reforestation such as we are currently being forced to employ. I refer to the two forestry incentive bills, Senator Stennis's S-3105 and Representative Sikes's HR-12873. We, of course, are actively supporting efforts to get this legislation through Congress, and we earnestly solicit your assistance in this regard.

In summary, we at Georgia's Rural Development Center are very excited about the Satilla Area Reforestation Program and its prospects of demonstrating a practical approach to revitalizing economically depressed rural areas. Our field staff member, the CSTE coordinator, is actively and centrally engaged in this on-going effort. Thus, we feel that CSTE (as an experiment in helping citizens of rural depressed areas to help themselves through optimum development and use of their available resources) is now and will continue to be

one of the most successful ventures in community and resource development sponsored by the U.S. government. If our CSTE coordinator does nothing more than assist in bringing the Satilla project to fruition, we believe he will have again demonstrated that Concerted Services is a sound approach to developing the potentials of rural people and their resources.

AN ASSESSMENT OF CONCERTED SERVICES IN TRAINING AND EDUCATION (CSTE)

Eugene Griessman
Auburn University

CSTE Effectiveness

As an administrative procedure for coordinating and facilitating rural development, Concerted Services in Training and Education (CSTE) incorporates several concepts based upon sound sociological principles. In making this assessment, I am following established usage in evaluative research and present here the summary findings of our *process* evaluation. The research team that evaluated CSTE from 1966 through 1969 found that the program's effectiveness was derived from several structural and processual features, of which the following five were quite evident:

(1) The coordinator's work space is structured in such a way that he can cross agency boundaries in order to bring resources together. This undertaking is essential in most rural areas if communities and regions are to be developed. As Professor Ray Marshall pointed out, "There is a lot of turfism in government agencies." Turfism derives from the loyalty and recognition administrators almost always expect from their subordinates. Whenever boundary maintenance is overemphasized, it becomes dysfunctional for rural development. The coordinator, however, is a matchmaker—one who is paid to arrange marriages between otherwise competing agencies.

(2) The coordinator's reward system is structured so that he is positively sanctioned when he implements something new. By contrast, the agency representative already in the area (whose resources typically are thinly spread) may hesitate before initiating a new program that requires a great deal of extra effort. Besides the additional demands a new project presents, an administrator may consider the risk involved in a new and untried undertaking. Agency administrators and local representatives are not necessarily malevolent or lazy. Generally, however, they simply do not have enough time to be innovative. Or, they are simply cautious.

(3) The coordinator's work space is structured in such a way that he knows what is happening, and where. Few people in rural areas have this knowledge.

(4) The CSTE approach provides flexibility that usually is not available to categorical programs. The coordinator is given relatively few guidelines to follow. Inasmuch as he has no coercive power over local people, he does not pose a threat to agency administrators.

(5) The coordinator has an important reference group outside the community. He is sensitive to local needs because he knows the area, but his perspectives are broader than these local

interests. He is enabled to see what "is" and what can be. Admittedly, this is a difficult undertaking.

The President's National Advisory Commission on Rural Poverty recognized how difficult this was when it presented its report in 1967:

> Some groups make every effort to work through existing organizations, public and private. Others avoid working with local authorities entirely. The Cooperative Extension Service and the Community Action Program have largely taken opposite routes in this respect. While the Extension Service endeavors to work through the "establishment" whenever possible, CAP tends to avoid joining forces with the established power structure, especially in rural areas. A more flexible approach would seem to be in order. Local and State authorities can and should be used more effectively than they have been to date. On the other hand, indifference to the plight of those in poverty by the same authorities should not be allowed to serve as a deterrent. (*The People Left Behind*, 1967:126)

When the evaluation report on CSTE was published in 1969, the evaluators concluded that Concerted Services provided a fortuitous test of the "more flexible approach" that had been recommended by the Commission. This had been achieved, first, because the coordinators had job security. They were protected against pressures from interest groups motivated by parochial views. In addition, the coordinators, in their contacts with state, regional, and national representatives, could acquire new information and a larger perspective for local problems. Their activities had been designed to gain the approval, not only of local people, but of a national task force. Their behavior was consistent with findings from the social sciences which indicate that a new reference group is a powerful force in changing the direction of action.

The evaluators further noted that area development typically benefits those who are already well-off. Whenever prosperity comes to a given area, those who own large areas of land stand to benefit from the improvement. If a town with an outstanding vocational training program attracts new industry, the local banker stands to gain as much as, or more than, the new workers. In short, those who are already rich and powerful have experience in taking advantage of situations and have the resources for further maximization of their advantages. There may be no such thing as a program which assists only the disadvantaged. The solution would appear to lie in developing programs designed to help the disadvantaged as well as the advantaged, rather than those that benefit *only* the advantaged. It was concluded

in 1969 that "both groups are now being assisted by Concerted Services." (1969:76).

The Future of CSTE

The political mood of the nation has changed since CSTE was implemented in 1965. At that time, concern for the poor was quite visible. Federal money was available to study the poor, to move the poor to the cities, to subsidize the poor, and to experiment with poverty programs. In that context, it soon became apparent that a disproportionate share of those funds was going to the cities. Partly in response to that inequity, CSTE was created to give rural people access to federal, state, and private resources.

A different set of attitudes has surfaced now, and it behooves us to take them into account in assessing the future of CSTE. The essential elements of the political situation are these: (1) If we help poor people make more money—that is, if they cease to be poor—they will need higher wages. On a large scale, higher wages adversely affect the profit picture of business and industry. (2) If the nation has full employment, given our economic system, inflationary pressures will continue. It must be remembered that, for employers, a large pool of unemployed people is functional. (3) In general, helping the poor may be an immoral (or naive) undertaking, because it rewards weakness. It tends to make these people dependent upon others. (4) Organizing the poor is politically dangerous.

Fitting these pieces together, I see a political environment within which little is done for the rural disadvantaged. Two exceptions are possible. (1) If there is a threat of crisis, something may be done. (By "crisis" I mean a depression, a serious political backlash, a rebellion in Congress or in the bureaucracy, or serious food shortages.) (2) If the administration becomes convinced that something dramatic can be done with little political risk, rural people may get attention. Otherwise, the best we can expect is maintenance of the status quo, or some reduction of services to rural people.

If the preceding assessment is at all correct, the question seems to be, what can CSTE do for rural people, given this changed political climate? I will attempt to answer the question analytically; that is, in terms of the several functions and tasks of the program.

(1) ADVOCATE. With more decisions being made at the regional

level and at the state level, the advocate role of the coordinator will continue to be important. Someone will be needed to represent the needs of the local community in the regional and state offices.

(2) LOCAL PERSON--INSIDER. Given this redistribution of decision-making, the "coordinator as a local person" concept will continue to be important, perhaps more so than before.

(3) KNOWLEDGEABLE. The role of the coordinator as a local knowledgeable will continue to be important. He knows who can do what. These persons continue to be in short supply in rural America.

(4) PROPOSAL WRITER. With the coming of revenue sharing, the ability to obtain federal funds will not be emphasized as much as before. Even though some proposals still will be written, more and more time will be spent in personal contacts with state and local gatekeepers. If a considerable amount of money bypasses the state agencies and is sent directly to city and county governing bodies, it is predictable that the search for these resources will become more direct and personal than before.

(5) UNDERWRITER. The interagency concept is functional in that it balances any shifts of resources that may occur in specific programs. If, for instance, HEW loses and the Department of Labor gains, both have representatives on the National Task Force. The net loss to the rural constituency is minimized, even though specific losses may occur in certain agencies. Such a structural arrangement tends to assure equity of access to resources. It is somewhat like an insurance program in that it spreads the losses as well as the gains.

(6) CATALYST. The catalytic role of the coordinator will continue to be emphasized. He is an economical "producer" of jobs.

(7) BROKER--MATCHMAKER. The coordinator's ability to cross boundaries will continue to minimize the deleterious effects of agency territoriality.

Summary

When I was closely associated with the evaluation of Concerted Services, a frequently raised question was, "How far can CSTE be expanded before its impact is severely diminished?" I answered then: "Expand it gradually, and evaluate as you go." I would answer that question now in terms of the several functions and tasks of the program listed above. In summary, I see a slight diminution in the coordinator's role as proposal writer. On the other hand, the program can be expanded to a considerable extent insofar as the coordinator continues to be an advocate, a local person--insider, a local knowledgeable, a catalyst, and a broker--matchmaker. The National Task Force will continue to be important as a risk-spreader and underwriter.

If there is to be no commitment of resources to rural areas,

CSTE will not be very effective nor will any other facilitating activity that I know of. If, however, some resources continue to be allocated, CSTE is well suited for making the most of meager inputs. (CSTE was a dramatic success in Sandoval County, New Mexico, an extremely poor area.) CSTE seems to do well in areas that already have significant human development resources (the northern Minnesota counties experienced considerable growth). It seems, therefore, that given much or little, Concerted Services in Training and Education tends to increase the effectiveness of local people. The program still looks like a good bet for rural development.[1]

References Cited

B. Eugene Griessman, Planned Changes in Low-Income Rural Areas: An Evaluation of Concerted Services in Training and Education, (Raleigh, North Carolina: National Center for Occupational Education, 1969).

[1] *Individuals who wish to secure copies of the evaluation reports on Concerted Services in Training and Education may write to the National Center for Occupational Education, North Carolina State University, Raleigh, North Carolina 27607.*

RURAL MANPOWER PLANNING FOR JOBS

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George Washington University

This portion of the conference is concerned with experimental rural manpower delivery systems and their contribution to rural manpower planning and economic development. Ordinarily I might get excited about the substantive content of this experience and want to examine with you its potentials for rural economic development. There is always a need for creative and imaginative thinking and for innovative enterprise by means of pilot projects and demonstration undertakings. Rural manpower planning and economic development is no exception. Indeed, the need may be even greater in this field since there is so little solid experience to draw upon. Because the conference participants are all rural manpower planners or would-be planners, the temptation is great to deal with the subject in a way that might be gratifying to them.

The chairman of this panel and the others who have discussed their experiences with experimental rural manpower services have all found great satisfaction in their work and strongly urge continued and expanded experimentation. I, therefore, find myself in a difficult and unenviable role since I feel compelled to express some doubts and skepticism. I must remind you that the theme of this conference is "Manpower Planning for Jobs in Rural America." We need to concentrate on this subject. Alluring as experimentation may be, I am inclined to think the funds and resources for Operation Hitchhike or Concerted Services do not hold much promise for the needed expansion in the utilization of rural manpower or the growth of employment opportunities in rural areas. Even though this line of thinking may not be popular here, it needs close examination.

A realistic assessment of what is required for meaningful and effective manpower planning for jobs in rural areas must take account of: actual experience during the past decade, especially in the public sector and among public agencies since planning has its initiative there; and current trends and near future prospects which have a direct bearing on urban and rural manpower programs, services, and planning. It is not possible within the time constraints (nor have I exercised the necessary scholarship to footnote my findings or conclusions) to analyze each of these with the care it deserves. Suffice it to say,

on the basis of recent past manpower policy and program experience and from the standpoint of the current situation and outlook, we have not yet come to grips with manpower planning for jobs in rural areas, nor are we about to do so.

Never before in the history of this country was so much human resource and manpower legislation enacted in such a short period as in the last decade. The range of manpower services covered the entire spectrum from education and training, health and social services, rehabilitative and supportive services, through labor market services. The programs to implement this legislation focused staff resources, facilities, and expenditure of funds in urban areas: highest priorities were assigned to the poor, disadvantaged, and racial and ethnic minorities. Rural human resources and manpower received a relatively small share of these programs. The fragmentation of manpower programs, the multiplicity of agencies administering them, the claims and counterclaims of special clientele groups, the overlap and duplication together with excessive costs have brought manpower programs into poor repute. Efforts to overcome some of these developments have been discussed at this conference, at least with respect to interagency coordination, in the session on the "CAMPS Planning System and Rural Areas." I was greatly impressed by the grass roots presentations made in that session and the constructive and positive efforts underway in local areas in Arkansas to deal with manpower problems in rural areas and to provide needed services.

Despite the manpower experience of the past decade, and maybe because of it, the limitations confronting rural manpower planning are most forbidding. The lack of organized, structured local government in rural areas is a serious liability. Serious weaknesses in rural infrastructure add to the difficulties. Inadequate financial support bases and practically nonexistent professionally qualified personnel prevent rural manpower planning, even if there were an inclination to undertake such an activity. Local outposts of rural or agriculturally oriented specialized interests, such as the Extension Service or the county agent, have traditionally and typically little or no understanding of human resource and manpower implications for economic development. State government agencies whether in general education or vocational education, social services, health services, or the public employment service have all devoted a relatively minor part of their resources to the rural areas. Efforts to achieve interagency coordination, such as the Coordinated Area Manpower Planning System or the Area

Manpower Council are chiefly concerned with urban manpower problems and programs; they are only incidentally concerned with rural areas.

Experience with the Emergency Employment Act of 1971 provides some useful lessons for the role of rural manpower planning, particularly as it relates to public service employment. Under that legislation, rural areas competed with urban areas for federal funds to be used to hire unemployed persons for employment in the state, county, and municipal government. These funds were allocated to states and local areas experiencing high rates of unemployment. Rural areas were at a disadvantage because labor market data and employment and unemployment information in these areas are inadequate and tend to understate the gravity of the underutilization of manpower resources. Moreover, urban areas were first claimants on the available funds and the residual was handled as a "balance of state." Rural areas most in need of financial assistance often were least able to present their claims. The lack of planning capabilities or experience in rural areas was all too evident in the allocation of funds under the Emergency Employment Act. Moreover, rural areas also displayed an inability to organize data and make a case for financial assistance to better develop and utilize local manpower resources or expand the economic base for increased employment opportunities. Even that brief experience, however, demonstrated the high priority that must be assigned to the creation of manpower planning competence in rural areas. Current gloomy predictions for the future of programs under this legislation weakens the prospect for public sector rural manpower planning. The outlook for using private business enterprise to achieve rural economic development is even less favorable.

Much of this conference has been devoted to the Rural Development Act of 1972 and its manpower implications. No doubt the legislation merits careful study and discussion. To the extent that specific sections or titles lend themselves to providing financial support, technical assistance, or program emphasis to rural manpower planning for economic development or for manpower planning for jobs in rural America, every means should be explored to bring them into a realistic action program. From what we have heard at this conference, many special groups and interests believed they had a stake in the legislation. Inevitably compromises were arrived at and some of the language will require further interpretation. The implications for rural manpower planning are not yet clear. Although Congress has authorized financial support for the objectives of the legislation, it has not yet

appropriated any money. Since the Administration is concerned with federal spending and has failed to allocate funds for programs for which Congress has made appropriations and even enacted into law, the financial outlook for this legislation may be highly uncertain.

Apart from the financial support which is the lifeblood of a program, it must be evident that manpower planning is not identified as central to the legislation. The Act contains six major titles--which can be judged from their headings:

Title I - Amendments to the Consolidated Farmers Home Administration Act of 1961

Title II - Amendments to the Watershed Protection and Flood Prevention Act, as amended

Title III - Amendments to the Bankhead-Jones Farm Tenant Act, as amended

Title IV - Rural Community Fire Protection

Title V - Rural Development and Small Farm Research and Education

Title VI - Miscellaneous

It is significant that except for a reference to rural development extension programs (Section 502) and "industries that employ or may employ people in rural areas" in Title V, the real basis for rural development, economic and manpower planning may be found only in Title VI - Miscellaneous. Indeed Section 603 (b) of Title VI specifically states the Secretary of Agriculture shall establish "employment, income, population, housing, and quality of community services and facilities goals for rural development and report annually prior to September 1 to Congress on progress in attaining such goals." He is also responsible for executive branch leadership and coordination of a nationwide rural development program to work with state and local governments.

This legislation and older programs which deal specifically with human resources, manpower, poverty, social, health and educational services should be examined in light of a speech given by President Nixon early in August, 1969, when he defined the major elements of his "New Federalism." Especially important for manpower and social services programs generally, and therefore for manpower planning in rural areas, were the elements of decentralization of program administration and operations responsibility, and revenue sharing. Both these elements de-emphasize the role of the federal government in terms of legislating policy and program, program direction, and the allocations of funds to specific program activities, including planning. It is not clear at this time how these concepts will actually be translated to state

and local government. Nevertheless, some actions have already been taken by the federal manpower agencies to decentralize to their regional offices. It is also increasingly evident that the local executive, the mayor, is becoming a greater force in determining the scope, content, and financial support for manpower programs--including planning for jobs.

Decentralization of manpower program responsibility and revenue sharing to the local areas may represent serious threats to appropriate participation in manpower programs, services, and financing for rural areas. To the extent that the state legislature has a reduced responsibility for certain programs over which local government executives exercise control, the representation of the rural areas may be weakened even more. At the same time, two other forces will likely have an adverse effect on expanded support for experimental manpower programs in rural areas, such as Concerted Services. Severe federal budget reductions in education and training, social services, and manpower services programs will undoubtedly necessitate curtailments of many ongoing mainstream program activities and services. Under such circumstances, experimental programs are likely to suffer since financial outlays for them will not be forthcoming. By the same token, federal interagency cooperation in such undertakings will probably be lessened, and technical assistance and leadership curtailed because of staff reductions.

Although manpower planning in rural areas for economic development and jobs is confronted by a host of difficulties, especially inadequate financing, the situation is not hopeless. On the contrary, there is reason to believe those who wish to advance manpower planning in rural areas have failed to exploit resources and assets which could make important contributions to the desired objective. Regrettably, until very recently university departments, facilities, and facilities tied with the Agricultural Extension Service and the agricultural county agents have had little knowledge or socio-economic interest in rural manpower resources development and utilization. They did not provide technical assistance and professional capabilities. It is questionable, moreover, whether in most local rural areas there were any organizations or groups to whom such assistance could be translated into manpower planning. Agencies of state government whose programs or services dealt with rural manpower, generally operated on a restricted bureaucratic basis with planning limited to administrative and budgetary

requirements. Nevertheless, resources in academic and government institutions represent the major potentials for rural manpower planning.

Despite past failures to exploit resources within the state which could contribute to rural manpower planning, developments in the last five years have greatly changed the situation. Program planning with broader perspectives and longer time period bases has become more commonplace in most state agencies engaged in human resources and manpower programs. Manpower information systems, providing more detailed data components with more comprehensive and current information, have been made mandatory in the federal-state programs. Economic and labor market data, labor force-employment and unemployment data, industrial and occupational information, and data for smaller geographical jurisdictions are being collected and analyzed on a greater scale. Rural areas, however, continue to lag far behind the standard metropolitan statistical areas (SMSA). Specialists in the social and behavioral sciences (economists, statisticians, sociologists, and psychologists) are being employed in greater numbers in public service employment in the state. All these elements constitute the basic components for manpower planning. The challenge is how to mobilize these elements, even within the constraints of limited budgets, to support and implement manpower planning in rural areas.

Federal guidelines recently applied to state agencies in the human resources and manpower programs require adherence to manpower information reporting systems and to the preparation and submittal of plans of service geared to a "universe of need." In addition, the introduction of the Coordinated Area Manpower Planning System now known as the Area Manpower Council calls for interagency planning activities. In the past, coordination has been introduced primarily to urban areas and only incidentally to rural areas, but the ingredients and know-how can be applied more intensively in rural areas. Since program planning is meaningful only in a socio-economic environment-labor market setting, the data base for manpower planning for rural development and jobs is little different from that used by other state agencies.

It is not an exaggeration to say the major deterrent to manpower planning in rural areas for economic development and jobs has been the absence of exercised authority and management control at the state administrative level. The governor has a special responsibility to rural areas since local government is not as well defined in rural as in urban areas. As the chief authority in the state, he wields considerable

power over the state legislature, the budget allocation process, and management authority over the agencies in the executive branch of the state government to make rural area manpower planning a reality. Recently a new office has been created in many states, Office of the Manpower Coordinator, which has staff responsibility at the level of the governor. It is wholly feasible to make this office responsible for coordination of manpower planning, and also responsive to the need for technical assistance to implement manpower planning in rural areas.

A Manpower Planning Council in the Office of the Manpower Coordinator should be created and should include representatives from the public employment service, general and vocational education, health and social services, and the business and economic development agencies. This would be a first step in assuring that the necessary economic and manpower intelligence and data base requisite to manpower planning might become available. It would also provide a forum for interchange of views and experience to improve manpower planning techniques. In addition, it would serve as a central resource within the state to supply needed technical assistance to rural areas for manpower planning, as a supplement to limited local capabilities.

Manpower planning in rural areas for economic development and for jobs is not likely to be realistic when it is undertaken as an independent activity, isolated from local manpower problems or program operations designed to deal with these problems. The costs involved in the conduct of such planning are apt to be excessive, especially if the activity involves the collection of required data. Moreover, such planning activity is likely to duplicate much of what is needed in manpower program operations. It would seem reasonable and feasible to link manpower planning activities into on-going program activities. Care would need to be exercised to assure that such planning would not minimize or ignore problems or experience which reflected unfavorably upon the programs and agencies responsible for them. Objectivity need not be lost when the activity is linked with program operations, provided that appropriate safeguards are introduced in the organizational structure and management control. In this connection, the participation of representatives from academic institutions who are not administratively responsible to agencies conducting the programs in the manpower planning process is highly desirable.

DISCUSSION OF SESSION VI

John McCauley

We have a little flexibility here to run a little bit longer. Why don't you address your remarks directly to the panelists.

Dale Hathaway

Lou's comments lead me to disagree with him in part and agree with him in part. It seems to me there are two views of planning which are at odds here and which have to be looked at in terms of their implications, particularly for rural areas. The groups this morning and this afternoon talked about how planning can be more effective in marshalling the resources that are available and making them more responsive to local needs. We talked about planning at last week's meeting of the National Manpower Advisory Commission, and it seems to me that the other view of planning at the federal level is more important. That is, how can program efficiency be increased, which is the trap that you just agreed with? I do not view the new federalism as a method of getting more program performance. I think the new federalism is a method of avoiding the political heat. You're going to take away most of the resources that have gone to the disadvantaged, put the political heat back on the people at the local level, and take it off the national level. If that's the case, what we've been talking about this morning is still relevant because the local groups, as you have suggested, are going to have fewer resources and all of the political heat; they will have to allocate fewer resources over increasing problems. There has to be some kind of concern about how this is to be done at the local level, rather than just purely ducking when the heat comes on.

John McCauley

Thank you, Dale. Anyone else? Any other comments or questions?

Louis Levine

I'd like to react to Dale on one point, if I may. In these last two days, we haven't discussed the differences between immediate and short-run planning, intermediate and longer-run, and even long-range planning. I suspect that the emphasis is going to be increasingly on the immediate and short-run tied to budget administration, which has been the concern of the guidelines coming out of Washington. Instead of planning for development, we have been planning for budget allocation and resource allocation of funds. This seems to be done in terms of efficiency, presumably. I couldn't agree with you more. If I left the impression

that this was all beautiful virtuous kind of decentralization or revenue sharing, all tied to a really logical idealistic concept, I'd be misleading you. There's a lot of escapism in it. You're quite right; the heat's going to fall on the people who have to handle the funds locally. But I still maintain that unless there is competence locally (which I don't find even in urban areas, much less in rural areas), then you can't even deal with the short-range.

C. B. Gilliland

Sherman Mandt isn't here, and I'd like to respond to one of Lou's comments, with regard to Concerted Services. Most of the job development was not from outside sources. It was from marshalling and bringing together the resources that are available in the local community, and this was supplemented by outside resources.

Robert Hunter

Lou, you've said that we need more competence at the local level. How do you propose to get it?

Louis Levine

This is my personal prejudice and nobody should pay attention to it, but if I were asked how to allocate funds for rural development, I would spend the first dollar on a person capable of doing these kinds of things in rural areas. It's like drawing your map and your plan, knowing where you stand, assessing your situation, and having some sense of perspective, as to resources, problems, and order priorities. Fire houses, water sewerage, pollution--all of these are worthwhile and necessary. But they may not further the main point of jobs, economic growth, true living standards, and so on for rural areas. One of the great disappointments to me is what's happening in the Emergency Employment Act. I think it is beyond understanding that the public sector should dry up at a very time when we need it most. I was counting very heavily on that as one of the bases for the kind of person in the rural areas that I'm talking about.

Jim Booth

I'd like to follow up. We've heard three staff positions described: CAMPS, Concerted Services, and Operation Hitchhike. I understood all of those as playing some type of role, and doing just the types of things that you're talking about doing in rural areas. And yet, I sense that you don't.

Louis Levine

I think discussion and interchange of ideas and expression of the

problem situations that take place in the planning group are excellent. But the problem of communication, getting attention, getting results and follow-through from these rather remote and isolated rural areas hasn't been licked in my estimation. Balance-of-state was referred to a lot of times this morning. That's exactly what it is; it is lost in that amorphous general thing called balance-of-state.

Jim Booth

But if you reject those three positions, I have no picture of where we should go.

John McCauley

Jim, I feel that in our demonstration projects, of which there are probably about 30 or 40 of various types around the country which concentrate on a limited geographic area, we are acquiring some very valuable experience and we're having some success. There's still a great deal to be learned, but I think we are on the right track. We are learning how you can focus on three, four, or five counties, and actually get results. The objective is not to develop a perfect plan, but to actually develop action programs that get results. We have time for one more question or statement.

Louis Levine

I'd like to ask you a question, John, because you're following Concerted Services. Assuming that the new administrator of HEW cuts the budgets as sharply as the newspapers say they will be cut, how much will be available locally for Concerted Services if that agency finds itself hard-driven for some of, what it calls, its mainline operations activities?

John McCauley

This will be difficult. But we've had some encouraging developments from unexpected sources. For example, Jim Smith in Arkansas recently worked out an arrangement where he is able to go into additional counties with an associate coordinator who is funded by a local group. We have a number of other instances where state organizations or local groups are helping out. It will be difficult, but the $20,000 to $25,000 required to fund a coordinator is relatively modest, compared to the funds required in other approaches.

Audience Member

What kind of objective performance indicators do you think the Secretary of Agriculture ought to establish, since the legislation we're discussing indicates that is sort of a first order? Parenthetically, I believe

that goal setting is a strategy, even though everybody here says that there haven't been any strategies.

John McCauley

Well, just taking a stab at this, we have to think in human terms and in terms of stages. What is reasonable for a community to hope for over a four or five-year period? What could be done to help various groups in a community next year or the following year, so that there will be some sense of progress?

Louis Levine

Didn't Mr. Baker indicate the answer to that last night when he said, you need some agricultural specialists to handle loans and economic assistance to business enterprises? Doesn't it also mean bringing in some manpower capability to supplement the agriculturally specialized knowledge?

Millard Blakey

That's what we're trying to do in Hitchhike, and CSTE, this kind of a specialty.

Collette Moser

The Rural Development Act provides funds for research extension type activities. What kinds of manpower activities might you suggest?

John McCauley

Sherman Mandt spoke a little bit about some experimental work he is doing to help small farmers. Just a few weeks ago, the University of Minnesota indicated that some of their money from Title V would be used to help develop such programming in the Concerted Services area.

Jim Booth

I think management development is very much on target with rural development. And I think that this could be interpreted in terms of manpower views.

Collette Moser

Could I ask one other question--I mean one other aspect of the same question? Is it allowable under the Act to use some of these funds for the kind of person that Lou was talking about?

John McCauley

Yes. John Baker is an authority on this and has indicated this would be an appropriate use of funds. I think some of the provisions in the Act allow quite a bit of flexibility, as long as you help create a climate, a condition locally in which business can expand. I know that there are many other aspects of this that you'd like to explore, but we do have to vacate the room now so that we can prepare for our lunch.

THE RURAL DEVELOPMENT ACT OF 1972: WHAT DOES IT MEAN FOR TEXAS?

Edmund L. Nichols
Texas Department of Agriculture

"Rural development" is a phrase and a cause that has become a major domestic battle cry for America in the 1970s. It is a speech-making phrase that has crossed the lips of most of the congressmen, governors, and other elected officials of the nation.

Rural development, until recently, has been largely a glib response to the call for help from a rural America whose towns are dying and whose human resources are being wasted and displaced. Until now, it has been a hook without a handle, a purpose without an academic discipline, a promise without a program.

But rural development can no longer be merely a hollow phrase. If the greatness of this country is to be maintained, rural America must be saved from its present course of decay.

How serious is the problem?

In the State of Texas, where population is growing steadily, five million people left rural life to move to metropolitan areas from 1950 to 1970. Three of the ten largest cities in the nation are now in Texas. However, during the same period, the small town in which I grew up had an 18 percent population decline--and my home town is a county seat.

The problem is just as critical in other states. I returned last night from attending a Rural Development Conference in Moorhead, Minnesota, which is across the river from Fargo, North Dakota. They had expected about 500 people to attend the conference. The high temperature at Moorhead on Tuesday was three degrees above zero, but 1400 people braved the weather to come and try to learn what could be done, in the name of rural development, to save their way of life.

What has happened to their way of life, our way of life, in rural America? For one thing, we have become an involuntarily rootless society. My father, a builder by trade, would no more have considered moving from his home town than he would have considered changing churches. It was where he belonged, and he was committed to his roots. But of his five children, only one has stayed in our home town. And our family has a better average than most.

Though some of us may have left the countryside in any event, there

are many who would have preferred to have stayed, but who had to leave because opportunity and promise left before them. Advanced agricultural technology in America is the wonder of the world; it also has inadvertently displaced many people and other resources in our agricultural communities.

Rural America has declined and looks for a deserved salvation. Government, the leaders of Texas, and the leaders of the nation are responding, however ploddingly, to the demand—not out of charity, but out of necessity.

The focal point of government's response is the new Rural Development Act of 1972, which has been discussed to some extent earlier in this conference. The most critical question regarding the legislation is that of funding. The Act authorizes allocations of $982 million for its various purposes, but the money has not been appropriated. The eyes of rural America are on the Congress and the President to see if, in fact, the Rural Development Act of 1972 will go beyond intention and become action.

The anxiety also extends to whether or not the President's Office of Management and Budget will allow rural development funds, if appropriated, to be expended. One United States Senator has characterized some of the OMB recalcitrants, who view rural program funding with a jaundiced eye, by saying they "don't know a corn cob from a ukulele." But the OMB attitude on funds for rural America is no joking matter. Without funding, the Rural Development Act is just so much rhetoric.

In support of those federal agencies who, under existing law and funding, have programs of de facto rural development, I would say that Texas is being as well-treated as any state. The Farmers Home Administration, which under authorization of the new Act, would have greatly broadened resources, last year claimed $168 million dollars in insured loans for rural housing, land, recreational and environmental resources in Texas, and cited $1.7 million in outright grants for water and waste disposal systems.

Assuming the Rural Development Act of 1972 gets all the funding it has authorized and proposed, we in Texas are concerned about how our state and local governmental resources can help make the rural development effort of maximum effectiveness.

Earlier this year Governor Preston Smith appointed, by executive order, a Texas Rural Development Commission comprising lay and professional leaders from throughout Texas. Their objective is to

provide guidelines, including legislative proposals, for coordinating the rural development effort in Texas. An interim report from this distinguished commission will be forthcoming in January.

One thing is apparent: the states must take a leading role if we are to have a coordinated and effective rural development effort. We believe in the new federalism, and we feel that state government has a major role in programs of rural development.

Texas has 183 different state agencies, a large number of which have concerns in the area of rural development. The problems of our rural areas are interrelated, so, in the commission's view, state agency efforts must be interrelated.

Regional councils of government within the state can be of tremendous importance in this effort, as can interagency councils within state government, relying on the help and leadership of the Governor's Office.

Although the Texas Rural Development Commission's work and efforts are not unique among the states, we are among the first to try to ready ourselves for the new day of rural revival.

The Minnesota meeting I attended was titled "A Call for Action." That's what it's time for in Texas, too. The time for Rural Development meetings is over. The time for action is here.

SESSION VII

CONFERENCE SUMMARY AND FUTURE DIRECTIONS FOR MANPOWER PLANNING AND ECONOMIC DEVELOPMENT IN RURAL AMERICA

MANPOWER PLANNING FOR JOBS IN RURAL AMERICA: CONFERENCE SUMMARY

Robert M. Hunter
University of Colorado

Our Conference on Manpower Planning for Jobs in Rural America has been perplexing. A great many facts, a great deal of knowledge and information, and a great deal of nonknowledge has been presented during the past two days. Moreover, the emotional tone of the meetings has followed the ups and downs of an expressive roller coaster, including curiosity, skepticism, cynicism, and even the hostility born of frustration. I believe the conference ends on a note of exceedingly cautious optimism of the "let's wait and see" variety. Given the times, this is perhaps the best we can expect.

Permit me to summarize the facts, knowledge, and information—considering the conference agenda in reverse.

Manpower Planning and Economic Development: Experiences from Experimental Rural Manpower Delivery Systems

Sherman Mandt, Concerted Services Coordinator in Minnesota, Jim Booth, Operation Hitchhike Project Leader in Michigan, and Millard Blakey of the Rural Development Center, Tifton, Georgia, presented factual reports on three different approaches to economic development and job creation in rural areas. Rural areas do have resources, natural and human. If leadership is present, if a plan is established, and if coordination and cooperation are achieved, jobs can be found or created for the unemployed or underemployed population of the rural area.

Mandt placed his emphasis on planning for the introduction of new business and industry in Minnesota. After many false hopes failed to materialize, tenacious leadership ultimately succeeded in bringing new jobs to the community. Booth reported on Hitchhike's approach of arming persons in the community with labor market information and news of training and job opportunities. Even though the dissemination of this knowledge is not part of the traditional role of such persons as the county agricultural extension agent, it will pay off in preparing the unemployed to seek opportunities. Coordination of all resources in the community can create jobs in the community as well as prepare persons for relocation. Blakey described the short- and long-term benefits of turning wasted farm land into productive timber production through

reforestation--improving the land and the environment, improving the economy, creating jobs, and improving spirit and morale of the rural population who had seen little hope for their area.

The Manpower Administration's experimental efforts in rural areas do work, and at a reasonable cost. Sociologist Eugene Griessman, who has researched rural manpower programs, offered several theoretical elements which explain how and why these programs for rural development can succeed. Introduce a new social role into a rural community, the program coordinator; permit him to establish neutral ground to bring agencies together; establish a reward system; arm the coordinator with a knowledge of resources both inside and outside the community; give that coordinator a reference group outside the community to whom he can turn for ideas and moral support when the going is rough, and the basic ingredients for rural development are present.

Lou Levine sounded a cautious note. The future does not bode well for providing the resources necessary for this kind of development. There has been an absence of support for planning and leadership in the past: it looks worse for the future. Moreover, rural development requires training: training for agency personnel, for community leaders, for the unemployed and underemployed. But where will the money for this training come from? Where does the knowledge and expertise reside?

The CAMPS Planning System and Rural Areas

Ben McGimsey of the Manpower Administration discussed the implications of the newly released Intergovernmental Issuance ICI 72-2. We have all recognized that intelligent, relevant, and creative planning for manpower can be done best at the community and state level. The new issuance governing the operation of the Cooperative Area Manpower Planning System provides for more responsibility in the state and community, more extensive requirements for cooperation and coordination, and more opportunities for local participation. However, there will be no additional funds. Permit me to describe his message in my own words rather than his. The administration has increased the responsibility of states and local areas in the manpower planning effort through decentralization. Authority and money are being kept in Washington, D.C. Thus, our mandate in rural America is to tighten our belts and do more with less, with the expectation that we can achieve the same degree of failure caused by an absence of staff and research capability as in the past with a more efficient cost-benefit ratio.

Jo Jackson, Executive Director of the Arkansas Manpower Council, suggested that the State CAMPS Committees can and will work. Governors do care and are supporting manpower planning efforts. Local leaders are capable. We need trained planners--particularly planners trained to work with rural manpower problems. We need funds to develop planners to train state personnel, to support staff, and to train local leaders. Moreover, we need manpower reform--decategorization and more flexibility--to establish a working system.

Jim Smith, Chairman of the AMPB of Batesville, Arkansas, told it like it is. Ancillary Manpower Planning Boards without training, without staff, and with all their other problems are not producing good plans; in fact, are not producing plans at all. Even if they were produced, they would be ignored. But, there is a quiet, perhaps desperate determination that will make CAMPS and its local counterpart successful. Local people have a strong desire to participate in the planning and development of the communities in which they and their children live. This social energy will prevail.

The Economic Development Administration

Gregg Chappell of the EDA reviewed the experience of the Economic Development Administration in rural areas. EDA's successes and failures have been documented. There are approaches that will work in rural America. Rather than attempt to rediscover the wheel, we should note what has worked, build on success, and improve on EDA's failures. I felt a certain sympathy, perhaps even guilt, as I listened to Gregg Chappell, since many of us who work in rural areas were unsupportive of EDA efforts because of our own pessimism or jealousy. Gregg's message to me was this: the Secretary of Agriculture has been given broad responsibilities under the Rural Development Act. Be imaginative, be creative, learn from experience, join together to give the Secretary of Agriculture the support we never gave to the Economic Development Administration.

Before turning to the nonknowledge segment of our conference, we have to consider the new information we received from Dr. Jerry Somers of the University of Wisconsin. *A thoughtful, careful study of manpower training programs in both rural areas and in urban America clearly shows that the cost-benefit ratio for training efforts averages a return rate of approximately 15 to 20 percent.* This is a far better return than anyone has reported in the past and ought to be taken into consideration by national resource allocators before, as currently

predicted, devastating cuts are made in manpower training programs.

The Rural Development Act of 1972

"Nonknowledge," as I use the term, refers to what people say when they gather all the information and experience they can assemble to analyze the *intentions* of Congress and the Executive Branch. Policy development for implementation of the Rural Development Act of 1972 is so unclear that some of us feel the Act may never be implemented at all. Nevertheless, it is incumbent upon us to understand what the Act says and attempt to support its potential favorable effects on rural America at the same time we anticipate and attempt to prevent undesirable consequences.

Ray Marshall of the University of Texas set the stage for our consideration of the Rural Development Act, and included solid facts about rural areas. Many believe that if there were any money to be made in rural America, private business and industry would already be there. Since they are not, rural areas, therefore, must be unprofitable. Ray pointed out this assumption is false. Profits can and are being made in rural areas. It is not that rural enterprise is unprofitable, rather it is not as profitable as private enterprise in and around urban centers. Thus, there is a role for government in encouraging economic development through private enterprise away from existing urban centers. (I might add, if private enterprise were required to pay all the social costs associated with rural-urban migration, profits in urban areas might not be higher than those in rural towns.)

The intention of the Rural Development Act is clearly good and reasonable, given our knowledge of the economics of rural America. However, we may entertain some skepticism about either the will or the capability of the Department of Agriculture establishment and its past history of interests, concerns, and practices to fulfill the promise of the Act.

Lynn Daft of the USDA presented one of the most thorough analyses of a piece of legislation I have ever heard. The commitments and concerns of past administrations, the present administration, and Congress became clear. The legislation makes sense; however, its nature is one of the consolidation, integration, and coordination of existing agency activities rather than the creation of new and badly needed resources for rural America.

Luther Tweeten of the University of Wisconsin and Oklahoma State University introduced several sober notes. There are, by conservative estimates, at least three million unemployed and underemployed persons in rural United States. By another conservative estimate, the cost of creating a new job in a rural area is about five thousand dollars. Even if the full recommended appropriation for the Rural Development Act were forthcoming, it would, by the most liberal estimate, create no more than 73,000 jobs—a drop in the bucket considering rural problems and needs.

Maurice Voland of North Carolina State University analyzed the legislation within a social context. The strength of rural areas has always resided in the stable social relationships of the family and collectivities of the community. Voluntary associations for self-help have built and sustained rural peoples. The social fabric must be restored if rural America is to redevelop. Yet, the programs which will be amalgamated by the Rural Development Act do not include those which might be expected to support such a redevelopment of the family or community.

Curtis Aller of San Francisco State finished the subject with a final note of skepticism. Transferring his knowledge of urban experiences, he noted that where resources are scarce, planning must be highly refined to gain maximum efficiency. He asserted there has been no successful and realistic manpower planning, even in urban centers, where there are trained planning personnel and near adequate resources. Even when plans have been developed, they have only met minimum requirements for federal grants and no more. What possible hope can there be for rural manpower planning under the Rural Development Act in which manpower isn't even considered?

Our dinner speaker, John Baker, arrived to address us from meetings with farmers in sub-zero, northern Minnesota. He brought with him the common sense which years of down-to-earth experience in rural America and high-level negotiations in our nation's capitol endow a man. We were gently chided with wisdom and wit. The Rural Development Act passed the House of Representatives with three dissenting votes, and passed the Senate unanimously. That means that 583 legislators favor the bill. It also means there are a minimum of 583 different interpretations. No one can predict what the Executive will may be or become, or what might happen to appropriations. However, many of the appropriations already exist in terms of loan authorities and other

programs. Consolidation can lead to more effective rural development efforts. The people of rural areas are desperately concerned about the legislation and are making their concerns known to their legislators in Washington. A congressional response may be expected. We may not get all we want for rural America, but there is more than a glimmering hope that we are slowly starting down a path which can bring about a reversal of conditions that have been present from the beginning of the urban revolution.

This conference has faced the problems of ambiguity which are tied to the uncertainty of intentions during a transitional period. The emotional tone is quite understandable. We have been gathered to discuss legislation, for which there is no appropriation of funds, so we can make suggestions and recommendations to persons not yet selected, who will be expected to carry out the intent of the legislation.

In order to summarize this meeting and move on to projections about the future, we must give some reference to the present and recent past. Many of you have documented the conditions inhibiting effective economic development. These conditions include, of course, the absence of social amenities, schools, health, cultural benefits, as well as occupations and job opportunities. We have been responding for 50 years to these conditions as if they were simple but harsh economic realities associated with urbanization and industrialization. Let me suggest that, in many cases, the harsh economic realities are a consequence of our belief in them rather than the reverse. The self-fulfilling prophecy strikes me as the most difficult component of the rural mentality we have to face today.

There are economic facts. We have learned in the past 20 years that it is not economically feasible to retrain a 40-year-old man, who has a third or fifth grade education and who always has lived in rural America, for competition in the modern city. It can be done, but the ultimate return in pure economic terms cannot justify the expenditure.

For the past 10 years, I have been engaged in training rural Employment Service persons in job development. I have worked in perhaps 12 different communities with populations of 3,000 and below. I have yet to find a community where intensive job development will not turn up 30 to 70 unfilled jobs for which placements can be made. Why is it that we can systematically demonstrate the existence of both unemployed persons and employment opportunities, while the Employment Service is unable to find either jobs or unemployed persons? The answer is again

the self-fulfilling prophecy—"we know there are no jobs present so it would be foolish to look for them." The unfortunate thing about the kinds of jobs we turn up in our training sessions is that they are jobs which disappear when they are not filled. The belief that there are no job opportunities in rural areas, just as the belief that supply and demand will move labor from areas of surplus to areas where they are needed, clearly shows the truth of the old Negro proverb, "It ain't what you don't know that hurts you, it's what you knows that ain't so."

My skepticism about the capability of the Department of Agriculture and the extension agent as a coordinator-planner, or as a deliverer of manpower services, is the common sense recognition that anyone who lives in and is accepted by a rural population will have the same misinformation as the rest of the people in the community. It will take a major input, not simply of economic knowledge, but of how the social force field operates in a rural community--its constraints and distraints--to overcome the misinformation present.

This will require training. Training has become such a disparaged word that, despite the availability of funds for training, administrators refuse to free their personnel for reorientation. Before we can assure successful application of manpower planning or economic development techniques for rural areas, we must find a way to teach those who undertake the tasks to capture and control the fantastic amount of social energy currently applied toward maintaining the status quo and redirect it toward constructive forward progress. It is this set of ideas which is inherent in the current proposal the Mountain States Regional Manpower Advisory Committee has sent to the Secretaries of Labor and Health, Education, and Welfare. The proposal's aim is to create state and regional rural planning and rural manpower planning training centers in state universities.

What is required is the creation of sensitive, multi-disciplinarily trained planners who can design plans responsive to state and local needs, and can assist in developing manpower policies at the regional level which can never fully develop symmetrically at the national level. The forces at work in this administration to create two new commandments, "Thou shalt coordinate" and "Thou shalt account," generate the demand for a new kind of specialist who can work in the rural area without being caught in the tight social net of the rural community and its belief system.

Our proposal for education-training centers calls for the creation

of a small deeply committed faculty who would spend at least half their time in the field working with clinical, inductive, and empirical approaches. This group of faculty would compose the advisory body which would work with the Federal Regional Council agencies by keeping them informed of the various social options available. In addition, they would carry information about expectations of the regional administration into the community where they and their students would work. Their students would be trained, as planners, to hold jobs we believe will exist in the future. At the same time, education also would be offered to those currently saddled with the responsibility of municipal and county-level planning.

The element that is missing, and upon which all of our hopes and expectations depend, is sound enthusiastic leadership from the Manpower Administration at the federal level. At present, it is permitting policy formulation by default in rural America.

Having emphasized the consensus of the conference that the creation of planners is a crucial requirement for the future, let us look at several developments which may have a crucial effect on jobs in rural America. I am gravely concerned about the role federal commissions may play in rural economic development. It seems there is as much thrust for change with these peculiar organizations as there is in any unit of government. As has been the case in Washington where fiscal policy has not been coordinated with manpower policy, economic development policy is created without full regard for the manpower implications. At the last meeting of the Mountain States Regional Manpower Advisory Committee, reports from the Old West Commission (Nebraska, North and South Dakota, Montana, and Wyoming) and the Four Corners Commission (Arizona, New Mexico, Utah, and Colorado) indicated that major plans were afoot for economic development. But little study of the manpower implications had been undertaken. When I say "major plans," I refer to a request of the Four Corners Commission for 2.5 billion dollars to develop programming on the semi-arid plateau of New Mexico, Arizona, Utah, and Colorado. Not only was this request based on outdated labor market information, it called for 90 million dollars for manpower training but supplied no specific details, such as what kinds of persons ought to be trained for what kinds of jobs. If this seems a grand plan, the Old West Commission proposed to create one and one-half million jobs in the next 10 years in Montana, Wyoming, North and South Dakota to mine the low sulphur, sub-bituminous coals

(an estimated million billion tons) to meet the nation's energy crisis. The recommendation of the Mountain States RMAC regarding these plans was as follows:

> The presentations of the Four Corners and the Old West Regional Commissions clearly demonstrate the possibilities for economic development and job creation in our Region. At the same time, the problems for the environment, the problems of projecting and planning for the preparation of our regional labor force now unemployed or underemployed, not to mention the risks of social disorganization following the exhaustion of our Region's extractable resources, call for an integrated planning effort of an entirely new magnitude. The necessity for effective coordination through the Federal Regional Council of activities under the Office of Economic Opportunity, Housing and Urban Development, the Bureau of Indian Affairs, and the Environmental Protection Agency in the fulfillment of effective planning efforts, demonstrates further the requirement for symmetrical decentralization of decision-making authority.

When we talk about one and one-half to two million more jobs in four states which have few cities with populations greater than their number of feet above sea level, we can see there are great opportunities for the development of the rural West and even greater needs for coordinated planning.

Having mentioned what I perceive to be one of the burning questions, the answer to which will have a major impact on the future of manpower planning--to wit, the broad general role of the regional commission--let me deal with the interstate compact commission, the Federation of Rocky Mountain States. The Federation floats across both the two regional commissions I have mentioned, and includes the states of Montana, Idaho, Utah, Colorado, Arizona, New Mexico, Nevada, and Wyoming, representing four federal regions and three federal commissions.

The Federation is now the recipient of a grant from the Office of Education which, so far, has brought 11 million dollars in planning and development for educational programming to these states. Proposals now being prepared will request over 25 million dollars for a combination of hardware and software associated with new technology (which could have an exceedingly profound impact on rural America).

In April, 1974, the National Aeronautics and Space Administration, in cooperation with the Office of Education's Division of Manpower Development and Training and the government of India, will launch an educational satellite to be placed in orbit over the Continental Divide somewhere west of Denver. This satellite will have one video channel, four voice video channels, and 32 interactive radio channels.

Programming will become operational in May, 1974.

In preparation for the availability of the satellite, the Federation of Rocky Mountain States, in cooperation with the Office of Education, is developing models for three kinds of programming for rural areas. Programs in early childhood education will be tested during the coming year using cable television and video tapes. These will be broadcast in OEO child care centers, preschools, and in several cases, in private homes which care for children. Using the same testing techniques, operational programming in career education will be tested in junior and senior high schools, vocational schools, and skill centers where MDTA-style training is presented. Career education is planned for those 12 to 18 years old. The career education programs will involve specialized programming to increase awareness of career opportunities for rural youth. It will also assist in personal assessment and decision-making skills, and will attempt to give information about career opportunities in rural areas per se. Programming will also be tested for adult education in five prisons, skill centers, Indian reservations, and area vocational education schools. Adult programs will concern specific kinds of skill training as well as prevocational training and consumer education. This programming, which will be developed, tested, and evaluated during the coming year, will be preparatory to the development of 300 sites in rural areas of the eight western states. The selection of the 300 sites will be based on computer composite mapping and will involve as many as 90 geographical and socio-economic variables to determine ideal locations. When the satellite reaches its orbit, the proper software will be ready.

As part of the testing and evaluation scheme of the Federation of Rocky Mountain States, three kinds of sites are proposed. The first will be prototype centers. For each of the classifications of education to be transmitted, there will be two or three prototypes. These centers will be responsible for developing software programs relevant to the needs of prisons, area vocational education schools, skill centers, and so forth. The second category will be referred to as intensive centers. Intensive evaluation of program impact will be done in these 60 centers. For the other 200 centers, evaluation of the intensive sort will not be undertaken; they are to be receiving centers for service delivery.

While this is exciting in its own right, the plans for the future are perhaps even more dramatic. By April, 1975, NASA will launch a

new satellite which will have approximately 20 television channels and an increase in other channels of the same magnitude. The satellite will telecast interactive television instruction as well as computer-associated instruction for the same three-channel purposes. Various kinds of planning activities could involve use of the interactive computer, which will be located in Colorado, irrespective of where a planner might be in the eight western states. These two satellites, which are in various stages of completion, are known as the "F" and "G" series respectively; NASA is already planning for "H" and "I" to be launched by 1977 and 1979. The latter two series will be capable of nation-wide broadcasting.

The crucial data the Federation of Rocky Mountain States' personnel was missing was labor market information for rural areas. This information was needed to plan software educational programming. The Federation was not aware of the interagency project on which Maurice Hill is currently spending a portion of his time--the Agri-Business Occupational Identification Project. It is clear that Maury will need considerable support in order to analyze fully probable future jobs for rural areas. I understand his project is not simply seeking to project agricultural occupations, but indeed might better be referred to as the Rural Occupational Identification Project. The full support and maintenance of Maury's project might stimulate the kind of leadership that will be required if manpower planning is to have significance for rural areas 10 years hence.

DISCUSSION OF SESSION VII

Collette Moser

Bob, do you want to entertain a few questions?

Robert Hunter

If anybody has enough energy at this point to ask a few questions, sure.

Dale Hathaway

I don't want to ask a question. I just want to make a statement. I think your enthusiasm for this satellite is exactly the kind of thing that's messing up the works.

Robert Hunter

I knew somebody would say that.

Dale Hathaway

Seventeen billion dollars worth of capital-intensive technology. Seventeen billion dollars would put a manpower planner and 16 educational planners in every county in the region. Decentralized data machines force uniformity; that is exactly the reverse of everything we've been talking about here, in terms of meeting local needs. I've spent my whole life adjusting research programs to fit data formats because of computers and now you want to fit community planning to what a computer and a satellite will take. I think that's just exactly the wrong thing to do.

Robert Hunter

That's not what I want to do. The federal government has the capacity to fund five different sets of people who don't have the power and the knowledge to do things, and yet fails to fund those who do have the knowledge. The Federation of Rocky Mountain States is not the Denver federal region. The Old West Commission is not the Denver federal region. The Four Corners Area is not the Denver federal region. The Office of Education is running things from Washington. They're not even in their own HEW branch. If we really were decentralizing, then we would have to decentralize an awful lot now. In the next two years before that satellite goes up, I'm going to figure out how to make the satellite responsive to the individual interests of our state. You don't think it's possible. Not with one it isn't. But with four or five of them up there, I think we can do it. Where was our leadership when this was all being done? One of the reasons that we were left out of planning was because we were telling everybody that there were no jobs available in rural areas. Pessimism, low-spirit morale.

Howard Dellon

The point is, the satellite system has come about through a joint action of state governments and private industry. They are the prime movers behind it. All we can do, it seems to me, is to latch on to what is there. We can't stop the satellite from going up; we can try to make it work effectively, instead of letting it be a disaster.

Robert Hunter

Dale, it's going to be there. It's going to be shining up there in April, 1974. Even if the first one fails, they'll put up another one. The question is, how do we use it?

Howard Dellon

I should add one more thing that I was told. After the first of the year they are planning on talking about labor market information.

Robert Hunter

There sure will be a lot to say.

Daniel Sturt

There was a similar project launched about 15 years ago called the Airborn Classroom, and it's exactly the same concept. The Airborn Classroom doesn't fly anymore.

Dale Hathaway

Michigan State became the leader in the concept. Only the technology is different. It took control and local education out of the hands of the local people.

Daniel Sturt

The teachers decided they didn't like to use the same materials.

Dale Hathaway

It didn't have local application. What we're saying is, we blew it once. Why do they have to reproduce it at 16 million dollars, that's all.

Robert Hunter

Fifty million or 37 million. Where the hell were we social scientists when they started thinking about career education and this project and everything else? Why didn't we tell them then it wouldn't work? Just one final comment. Great things are happening; whether they're good or not, I don't know.

Collette Moser

I'd like to thank you all very much for coming to this conference. I've enjoyed it and I hope you have.

APPENDIX A

CONFERENCE ON MANPOWER PLANNING FOR JOBS IN RURAL AMERICA

A conference exploring rural manpower planning,
economic development, and the
Rural Development Act of 1972

CONFERENCE PROGRAM

THURSDAY, DECEMBER 14, 1972

8:30- 9:30 a.m.	Registration - Coffee and donuts
	Session I - Manpower Planning and Economic Development
	Moderator and Introductory Remarks . . . *Daniel Sturt*, Director, Rural Manpower Service, U.S. Department of Labor, "Introductory Remarks"
9:30-10:30 a.m.	*Ray Marshall*, Professor of Economics, and Director of the Center for the Study of Human Resources, University of Texas, Austin, "Manpower Planning and Economic Development: An Overview"
10:30-10:45 a.m.	Discussion of Session I
10:45-11:00 a.m.	Coffee
	Session II - The Rural Development Act of 1972
	Moderator: *Dale Hathaway*, Chairman, Department of Agricultural Economics, Michigan State University, on leave as Program Advisor in Agriculture, Asia and Pacific Program, Ford Foundation, New York
11:00-11:30 a.m.	*Lynn Daft*, Assistant Deputy Administrator, Economic Research Service, U.S. Department of Agriculture, "The Rural Development Act of 1972: What Is It?"
11:30-12:00 p.m.	Discussion of Session II
12:00- 1:15 p.m.	Lunch
	Session III - Manpower Implications of the Rural Development Act of 1972
	Moderator: *Ray Marshall*, Professor of Economics, and Director of the Center for the Study of Human Resources, University of Texas, Austin
1:15- 1:40 p.m.	*Luther Tweeten*, Professor of Agricultural Economics, Oklahoma State University, Stillwater, on leave at the Institute for Research on Poverty, University of Wisconsin, Madison, "Manpower Implications of the Rural Development Act of 1972"
1:40- 2:05 p.m.	*Maurice Voland*, Extension Specialist in Community Development and Extension Associate Professor in Sociology, North Carolina State University, Raleigh, "Manpower Implications of the Rural Development Act of 1972: A Sociological Perspective"

2:05- 2:30 p.m. *Curtis Aller*, Professor of Economics, San Francisco State College, San Francisco, "Implications for Manpower Planning of the Rural Development Bill of 1972"

Commentator:

2:30- 2:45 p.m. *Niles Hansen*, Professor of Economics, University of Texas, Austin, "Comments on Papers on Manpower Implications of the Rural Development Act"

2:45- 3:15 p.m. Discussion of Session III

Session IV - The Economic Development Administration's Experience with Manpower Planning and Economic Development in Rural Areas

Moderator: *Robert H. Ferguson*, Professor of Industrial and Labor Relations at the New York State School of Industrial and Labor Relations, Cornell University, Ithaca

3:45- 4:15 p.m. *Gregg Chappell*, Chief of Planning Division, E.D.A., Southwest Region, Austin, Texas, "The Economic Development Administration's Experience with Economic Development and Manpower Planning in Rural Areas"

Commentator:

4:15- 4:30 p.m. *Gerald Somers*, Professor of Economics, University of Wisconsin, Madison, "Manpower Implications of Economic Development Programs for Rural Areas"

4:30- 5:00 p.m. Discussion of Session IV

6:00- 7:00 p.m. Hospitality Hour

7:00- 9:00 p.m. Dinner - Speaker: *John Austin Baker*, Consultant, Senate Committee on Agriculture and Forestry, and member of the consulting firm, Community Development Services, "The Rural Development Act: Its Implications"

FRIDAY, DECEMBER 15, 1972

Session V - The C.A.M.P.S. Planning System and Rural Areas

Moderator: *Robert McPherson*, Senior Project Assistant, National Governors Conference, Manpower Project, Washington, D.C.

8:30- 8:45 a.m. *Ben McGimsey*, Office of Operational Planning, Implementation, and Review, Manpower Administration, Washington, D.C., "The CAMPS Planning System: Its History and Future"

8:45- 9:00 a.m. *Jo Jackson*, Executive Director, Arkansas Manpower Council, Little Rock, "Manpower Planning at the State Level: The CAMPS Planning System in Arkansas"

9:00- 9:15 a.m.	*James Smith*, Chairman, Ancillary Manpower Planning Board, Batesville, Arkansas, "Manpower Planning at the Local Level: The CAMPS Planning System in Arkansas"
	Commentator:
9:15- 9:30 a.m.	*Myrtle Reul*, Professor, School of Social Work, University of Georgia, Athens, "A Total Community Approach to Rural Development"
9:30-10:00 a.m.	Discussion of Session V
10:00-10:15 a.m.	Coffee
	Session VI - Manpower Planning and Economic Development: Experiences from Experimental Rural Manpower Delivery Systems
	Moderator: *John McCauley*, Special Assistant to the Director, Rural Manpower Service, U.S. Department of Labor, Washington, D.C.
10:15-10:30 a.m.	*Sherman Mandt*, Coordinator, Concerted Services, Northcentral Minnesota, Wadena, Minnesota, "Manpower Planning and Economic Development"
10:30-10:45 a.m.	*James Booth*, Assistant Professor of Agricultural Economics, Michigan State University, and Project Leader for Operation Hitchhike in Michigan, "Operation Hitchhike, Manpower Planning, and Economic Development"
10:45-11:00 a.m.	*Millard Blakey*, Coordinator for Manpower Training and Utilization, Rural Development Center, Tifton, Georgia, "Manpower Planning and Economic Development: An Experience from Experimental Rural Manpower Delivery Systems in Georgia"
	Commentators:
11:00-11:15 a.m.	*Eugene Griessman*, Professor and Chairman, Department of Sociology, Auburn University, Auburn, Alabama, "An Assessment of Concerted Services in Training and Education (CSTE)"
11:15-11:30 a.m.	*Louis Levine*, School of Government Studies, George Washington University, Washington, D.C., "Rural Manpower Planning for Jobs"
11:30-12:00 p.m.	Discussion of Session VI
12:00- 1:45 p.m.	Lunch - Speaker: *Edmund Nichols*, Assistant Commissioner, Texas Department of Agriculture, Austin, Texas, "The Rural Development Act of 1972: What Does It Mean for Texas?"

Session VII - Conference Summary and Future Directions for Manpower Planning and Economic Development in Rural America

Moderator: *Collette Moser*, Assistant Professor of Agricultural Economics, Michigan State University, and Director of the Rural Manpower Policy Research Group

2:00- 2:40 p.m. *Robert Hunter*, Associate Professor of Sociology and Director of the Bureau of Sociological Research, University of Colorado, Boulder, "Manpower Planning for Jobs in Rural America: Conference Summary"

2:40- 3:00 p.m. Discussion of Session VII

Adjournment

APPENDIX B

CONFERENCE PARTICIPANTS

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